
Quarterly Progress and Oversight Report on the Civilian Assistance Program in Pakistan

As of December 31, 2011



Foreword

This is the eighth quarterly progress and oversight report on the U.S. Government's civilian assistance program in Pakistan. The U.S. Embassy in Pakistan requested quarterly reporting to inform stakeholders about progress achieved to date, problems encountered during program implementation, and actions taken to address them.

This report covers the period from October 1 to December 31, 2011. For fiscal year 2011, Congress appropriated \$1.086 billion authorized by the Enhanced Partnership with Pakistan Act of 2009, along with other assistance funds, to support the civilian assistance strategy in Pakistan. The U.S. Embassy reported that \$617.7 million in fiscal year 2011 civilian assistance funds had been obligated and that \$162.2 million had been spent in fiscal year 2012 as of December 31, 2011. (Congress's foreign assistance appropriation for fiscal year 2012 does not provide country-specific funding levels for all types of civilian assistance to Pakistan, and fiscal year 2012 allocations for civilian assistance to Pakistan had not been made by December 31, 2011.)

The information on program status in this report is based on information provided by the departments and agencies working in Pakistan—the U.S. Agency for International Development, the Department of State, the Department of Defense, the Department of Commerce, the Department of Agriculture, and the U.S. Trade and Development Agency. The information on program oversight comes from audits, reviews, and investigations performed by the Offices of Inspector General of the U.S. Agency for International Development, the Department of State, and the Department of Defense, as well as by the U.S. Government Accountability Office.

/s/

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Executive Summary

The Enhanced Partnership with Pakistan Act of 2009, Public Law 111-73 (October 15, 2009), authorizes democratic, economic, and development assistance to Pakistan of up to \$1.5 billion per year from fiscal year (FY) 2010 to FY 2014, for a total of as much as \$7.5 billion. The U.S. Department of State's *Pakistan Assistance Strategy Report*, issued in December 2009, guides the U.S. Government's civilian assistance program in Pakistan, which is designed to build trust and a long-term partnership between the two countries by strengthening mutual security, stability, and prosperity.

For FY 2011, Congress appropriated approximately \$1.086 billion authorized by the Enhanced Partnership with Pakistan Act of 2009. An additional \$394 million from other civilian budgets brought total available funding for Pakistan to \$1.480 billion. The U.S. Embassy reported that \$617.7 million from this total had been obligated and that \$162.2 million had been spent in FY 2012 as of December 31, 2011.¹ These funds are intended to address the country's most critical infrastructure needs; help the Pakistani Government meet basic needs and provide improved economic opportunities; and strengthen Pakistan's capacity to pursue economic and political reforms that reinforce stability.

The U.S. assistance program was affected by political and security challenges during the reporting period. Following a cross-border incident involving North Atlantic Treaty Organization (NATO) and Pakistani forces in late November that claimed the lives of 24 Pakistani soldiers, USAID partners were subject to increasing scrutiny for their association with the U.S. Government. They were criticized and threatened, and program events were rescheduled or cancelled as a result. Furthermore, implementation of assistance programs was hindered by stricter Government of Pakistan requirements for travel outside Islamabad and provincial capitals. Staffing was hampered by the denial of visas and visa extensions for U.S. Government employees. Despite these challenges, implementation of assistance programs continued.

The U.S. Agency for International Development (USAID) continued to implement more programs through Pakistani institutions, including national and provincial governments and nongovernmental organizations (NGOs). During FYs 2010–2011, USAID made 103 awards totaling more than \$1.7 billion to governmental and nongovernmental Pakistani institutions. USAID made an additional 17 awards to these groups totaling \$150.3 million from October 1 through December 31, 2011. To overcome risks posed to the civilian assistance strategy and to improve monitoring and oversight of its programs, USAID continued to conduct preaward assessments of local implementing partners. USAID also began to conduct broad-based monitoring and evaluation activities.

¹ In December 2011, Congress provided FY 2012 funding for foreign assistance that included civilian assistance to Pakistan in the Consolidated Appropriations Act, 2012, Public Law 112-74 (December 23, 2011). However, Congress did not set country-specific funding levels for all types of assistance, and overall FY 2012 allocations for civilian assistance to Pakistan had not been set by the end of the reporting period.

To protect USAID funds against waste and theft, USAID's Office of Inspector General (OIG) pursued hotline complaints and conducted investigations and audits. USAID OIG continues to work to reinforce fraud reporting and investigation in Pakistan through the Anti-Fraud Hotline, which received 489 new complaints during the reporting period. USAID OIG also released two performance audits during the reporting period. At the time of the audits, neither project that OIG examined was on track to achieve its main goals. USAID planned corrective actions in response to the audits and had fully addressed most OIG recommendations for project improvement by the end of the quarter.

The Government Accountability Office (GAO) completed an independent assessment of the Department of State's 2011 certification of Pakistan's progress on nonproliferation and counterterrorism issues during the reporting period. This report is classified and is not publicly available.

Background

U.S. civilian assistance to Pakistan is critical to maintaining the long-term strategic partnership that the U.S. Government sought to forge with the Government of Pakistan and its citizens through the Enhanced Partnership with Pakistan Act of 2009, Public Law 111-73 (October 15, 2009). The act authorizes \$1.5 billion per year for FYs 2010–14, for a total of up to \$7.5 billion, to support democratic, economic, and development assistance.

In 2009, the U.S. Department of State (DOS) developed a strategy for providing civilian assistance to Pakistan.² The strategy's objectives include addressing the country's most critical infrastructure needs; helping the Pakistani Government meet basic needs and provide improved economic opportunities, especially in areas most vulnerable to extremism; and strengthening Pakistan's capacity to pursue economic and political reforms that reinforce stability. The strategy initially focused on high-impact, high-visibility infrastructure programs; the provision of humanitarian and social services; and improved governance and security. In 2011, USAID and DOS refined the strategy to focus assistance on economic growth, energy, education, health, and stabilization. Programs in these sectors incorporate cross-cutting themes of good governance, gender equity, and greater transparency.³

Political and security challenges for the U.S. assistance effort intensified during the reporting period, from October 1 to December 31, 2011. USAID continued to adjust assistance programs in response to the Punjab provincial government's refusal of government-to-government assistance following the raid on Osama bin Laden's compound. In late November, a cross-border incident involving NATO forces and Pakistani troops resulted in the death of 24 Pakistani soldiers and injury to 13 others. Shortly thereafter, the Government of Pakistan closed NATO supply routes to Afghanistan, withdrew from talks in Bonn on the future of Afghanistan, and ordered U.S. forces out of an airbase in southwestern Pakistan.

The Consolidated Appropriations Act, 2012, Public Law 112-74, which was signed into law by the President on December 23, 2011, requires the Secretary of State to certify that the Government of Pakistan is cooperating with counterterrorism efforts, dismantling groups that supply materials for and produce improvised explosive devices, issuing timely visas for U.S. counterterrorism and assistance personnel, and providing humanitarian organizations access to detainees and civilians affected by the conflict before using foreign assistance funds for that country. The law permits the Secretary of State to waive this certification requirement if she determines that it is in the United States' national security interest to do so.

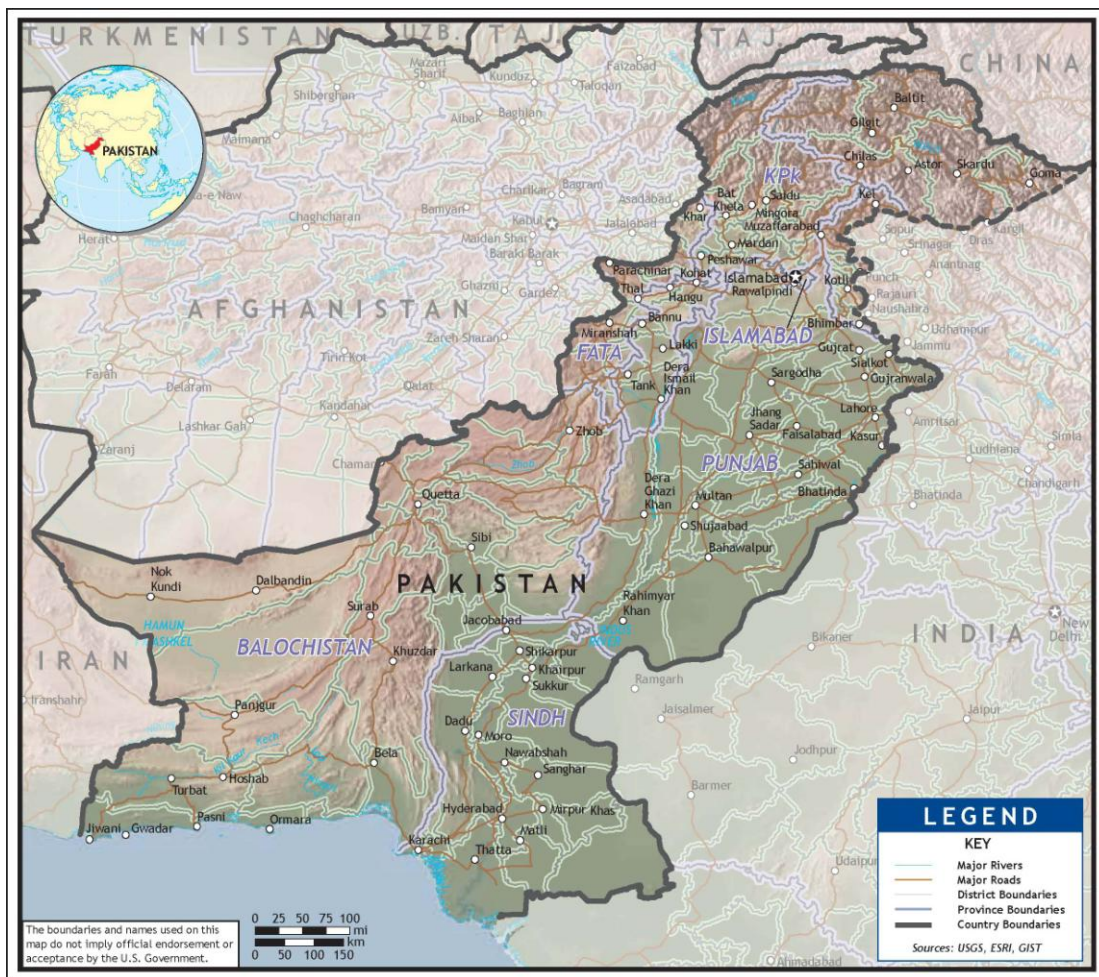
² *Pakistan Assistance Strategy Report*, December 14, 2009.

³ Office of the Special Representative for Afghanistan and Pakistan, *Status Report: Afghanistan and Pakistan Civilian Engagement*, November 2011.

Other bills under consideration would cut or strictly limit assistance to Pakistan. Bills pending in Congress at the close of the quarter included measures to prohibit U.S. assistance of any kind to Pakistan, prohibit all U.S. aid to Pakistan except aid providing for nuclear weapon security, prohibit all nonsecurity assistance to Pakistan, and prohibit assistance to Pakistan unless the Secretary of State certifies that the Government of Pakistan did not have information regarding Osama bin Laden's possible whereabouts on or after September 11, 2001, or if it did, that it communicated this information to the U.S. Government expeditiously.⁴

Congress's FY 2012 consolidated appropriation provides funds for civilian assistance to Pakistan. However, Congress did not provide country-specific funding levels for all types of foreign assistance, and overall FY 2012 allocations for civilian assistance to Pakistan had not been set by the end of the reporting period.

Map of Pakistan



Source: USAID Office of Transition Initiatives, Geographic Information Unit.

⁴ Congressional Research Service, *Pakistan: U.S. Foreign Aid Conditions, Restrictions, and Reporting Requirements*, December 15, 2011.

Program Status

The U.S. departments and agencies delivering development assistance in Pakistan are implementing programs in economic growth, energy, education, health, stabilization, and the cross-cutting areas of governance, gender equity, and greater transparency. The following sections provide information on the status of the programs in these areas.

The U.S. Embassy reported that as of December 31, 2011, \$4.313 billion in funds from FYs 2009, 2010, and 2011 had been obligated and that \$162.2 million had been spent to support the civilian assistance strategy in FY 2012 (Table I).

Table I. Program Financial Status as of December 31, 2011
(\$ Millions; Unaudited)

Program	Manager	Obligated*				Expended FY 2012†
		FY 2009	FY 2010	FY 2011	Total	
Economic Growth						
Economic growth	USAID	106.4	180.2	113.3	399.9	41.8
International Trade Administration, Department of Commerce (DOC)	DOC	3.0	–	–	3.0	–
Commercial Law Development Program‡	DOC	–	–	1.0	1.0	Not available (NA)
USAID transfer to the United Nations' (U.N.) Bhutto Commission	U.N.	1.0	–	–	1.0	–
Foreign Agriculture Programs**	U.S. Department of Agriculture (USDA)	20.0	19.0	–	39.0	1.2
Agriculture‡	USAID	63.0	104.4	–	167.4	13.9
USAID transfer to U.S. Trade and Development Agency (USTDA)	USTDA	0.7	5.1	–	5.8	NA

Program	Manager	Obligated*				Expended FY 2012 [†]
		FY 2009	FY 2010	FY 2011	Total	
USAID transfer to the U.S. Department of the Treasury	Department of the Treasury	–	0.1	–	0.1	NA
Humanitarian programs – Office of Transition Initiatives, National Disaster Management Authority, Pakistan Poverty Alleviation Fund, Rural Support Programmes Network	USAID	–	59.7	–	59.7	–
Humanitarian assistance [‡]	USAID	304.9	275.2	–	580.2	5.7
Subtotals^{††}		499.1	643.8	114.3	1,257.1	62.6
Energy						
Energy [‡]	USAID	143.9	98.3	–	242.3	23.2
Energy programs	Department of Energy	NA	NA	NA	NA	NA
Subtotals^{††}		143.9	98.3	–	242.3	23.2
Education						
Education [‡]	USAID	182.9	206.4	–	389.3	2.6
Fulbright	Public Affairs Section, U.S. Embassy	19.5	19.5	19.5	58.5	3.6
Subtotals		202.4	225.9	19.5	447.8	6.2
Health						
Health/water [‡]	USAID	104.4	196.9	–	301.3	25.1
Health [‡]	USAID	–	27.5	–	27.5	–
Subtotals		104.4	224.3	–	328.8	25.1

Program	Manager	Obligated*				Expended FY 2012 [†]
		FY 2009	FY 2010	FY 2011	Total	
Stabilization						
Drug Enforcement Administration (DEA)	DEA	NA	NA	NA	NA	NA
Biosecurity engagement	Economic Affairs Section, U.S. Embassy	9.0	15.0	10.7	34.7	NA
U.S. Institute of Peace (USIP)	USIP	–	3.0	–	3.0	–
Immigration and Customs Enforcement	Department of Homeland Security	1.1	1.1	1.1	3.3	NA
Counternarcotics [‡]	Narcotics Affairs Section (NAS), U.S. Embassy	3.0	5.5	–	8.5	0.3
Federally Administered Tribal Areas roads, bridges	NAS	15.0	–	–	15.0	–
Federally Administered Tribal Areas roads (Swat, Ring Road)	NAS	40.0	–	–	40.0	1.1
Border security (aviation)	NAS	37.0	52.0	–	89.0	1.4
Border security (commodities, training)	NAS	1.2	–	–	1.2	0.9
Police/law enforcement training/rule of law [‡]	NAS	54.8	102.6	–	157.4	5.1
Demand reduction/awareness [‡]	NAS	0.5	1.5	–	2.0	–
Program development and support	NAS	9.8	4.4	4.4	18.6	–
Counterterrorism [‡]	Regional Security Office, U.S. Embassy	9.7	15.4	3.3	28.4	–

Program	Manager	Obligated*				Expended FY 2012†
		FY 2009	FY 2010	FY 2011	Total	
Office of Transition Initiatives	USAID	75.7	26.0	51.2	152.9	8.3
Mine Action – Response International	Political Affairs Section (POL), U.S. Embassy	0.5	–	–	0.5	–
Trafficking in Persons	POL	0.5	0.8	–	1.3	NA
Humanitarian programs – Office of Foreign Disaster Assistance (OFDA), Complex emergency	USAID	102.6	18.6	0.3	121.4	NA
Humanitarian programs – OFDA, Earthquake/ landslide	USAID	2.3	0.1	–	2.4	NA
Humanitarian programs – OFDA, 2010 Floods	USAID	–	115.0	114.2	229.2	NA
Humanitarian programs – OFDA, 2011 Floods	USAID	–	–	0.5	0.5	NA
World Food Programme (WFP) – Food for Peace (FFP), Disaster Assistance, Complex emergency	USAID	–	20.0	4.3	24.3	NA
WFP– FFP, Disaster Assistance, Floods	USAID	–	116.9	45.0	161.9	NA
WFP– FFP, Title II, Complex emergency	USAID	55.4	69.8	56.7	181.9	NA
WFP– FFP, Title II, Floods	USAID	–	27.0	58.4	85.4	NA
Mitigating Child Labor	Department of Labor	–	4.0	–	4.0	NA
Pakistan Internally Displaced Persons	Refugee Affairs Section (REF), U.S. Embassy	59.6	42.0	39.8	141.4	–
Afghan Refugees	REF	75.2	75.4	72.0	222.6	12.4

Program	Manager	Obligated*				Expended FY 2012 [†]
		FY 2009	FY 2010	FY 2011	Total	
Pakistan Internally Displaced Persons – Flood	REF	–	49.3	2.7	52.0	2.7
NAS – Flood	NAS	–	In-kind support	–	–	–
Community Stabilization and Humanitarian Assistance Fund	Department of Defense / DOS	10.0	–	–	10.0	–
Subtotals^{††}		562.9	765.2	464.4	1,792.6	32.2
Cross-Cutting Priorities: Good Governance, Gender Equity, and Greater Transparency						
Democracy Rights Labor	POL	NA	NA	NA	NA	NA
Democracy – National Endowment for Democracy	POL	NA	NA	NA	NA	NA
Democracy/Governance [‡]	USAID	47.7	95.6	–	143.2	9.6
Federal Bureau of Investigation (FBI) / Legal Attaché Office	FBI	1.0	1.0	1.0	3.0	–
Other exchanges	Public Affairs Section, U.S. Embassy Islamabad	5.0	6.0	–	11.0	2.7
Strategic communications	Department of Defense	7.0	7.0	7.0	21.0	–
Strategic communications	Public Affairs Section, U.S. Embassy	30.9	17.8	9.2	57.9	–
USAID transfer to USAID OIG [‡]	USAID OIG	–	2.0	–	2.0	–
Public diplomacy operating expenses	Public Affairs Section, U.S. Embassy	2.0	2.0	2.2	6.2	0.5
Subtotals^{††}		93.6	131.3	19.4	244.3	12.8

Program	Manager	Obligated*				Expended FY 2012 [†]
		FY 2009	FY 2010	FY 2011	Total	
Totals^{††}		1,606.2	2,088.9	617.7	4,312.8	162.2

Source: U.S. Embassy Islamabad.

Note: In some cases, numbers in the table do not add up to provided subtotals and totals because of rounding. A dash indicates a value of zero.

* Obligations are reported by the fiscal year for which corresponding funds were appropriated. Because no FY 2012 funds had been allocated or released for obligation by the end of the reporting period, no obligations were reported for FY 2012.

[†] Expenditure figures reflect funds expended in FY 2012 without regard to the year in which the funds were appropriated or obligated. These figures cannot be used to determine how much of the obligated funding reported in this table remains unexpended.

[‡] The FY 2011 spending plan for these funds had not been approved by Congress or released for obligation as of December 31, 2011.

** Greater amounts of Foreign Agriculture Program obligations were reported in previous quarterly reports due to the inclusion of funds unrelated to the civilian assistance program. These nonassistance funds were not included in obligations reported this quarter.

^{††} These subtotals and total obligations and expenditures do not capture funding for all assistance programs because complete or consistent data was not available for all programs.

The U.S. Embassy in Islamabad also reported on unexpended obligations associated with civilian assistance programs in Pakistan. According to the Embassy, \$1.632 billion in funds obligated in prior years remained unexpended as of December 31, 2011.⁵

Economic Growth

Over the past 3 years, Pakistan has experienced high inflation and relatively low economic growth. Nationally, unemployment exceeds 12 percent, and rates are higher in urban areas. Small businesses provide the majority of new employment, but they lack access to finance. Similarly, agriculture, which accounts for 21 percent of gross domestic product and employs 44 percent of the labor force, is constrained by insufficient investment and inappropriate policies.

⁵ Because some of these unexpended obligations predate the FY 2009–11 period for which obligations are reported in Table I, the total unexpended amount cannot be used to determine expenditures or unexpended obligations for those years.

The U.S. Government's economic growth program for Pakistan is designed to stimulate broad-based, inclusive economic growth, particularly in agriculture, trade, and entrepreneurship, through projects that support policy reform, assist in workforce development, increase agricultural productivity, and improve water management. USAID, DOC, USDA, and USTDA support programs under this category of assistance.

USAID currently has 13 programs for economic growth, including 2 funds transfers to other agencies (Table 2). These programs support trade facilitation, development of provincial irrigation systems, and production and sale of agricultural commodities, among other activities.

Table 2. USAID Programs to Promote Economic Growth as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Competitiveness Support Fund	Provides technical assistance on policy decisions, regulatory frameworks, and public-private partnerships	3/06	3/12	Ministry of Finance	14,437,989
Firms Project	Assists small and medium-size enterprises in areas vulnerable to conflict to help them become internationally competitive	5/09	2/13	Chemonics	47,688,726
Trade Project	Improves customs procedures and the Pakistani Commercial Service to increase exports and trade at the Afghan border	6/09	6/13	Deloitte	16,323,820
Entrepreneurs Project	Supports women's microenterprises in vulnerable areas	6/09	6/14	Mennonite Economic Development Associates	15,400,000
Transfer to DOC	Provides advisers to support gem and mineral markets	2011	To be determined	DOC	3,000,000

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Gomal Zam Irrigation Project	Improves irrigation systems to increase agricultural output	10/11	9/14	Water and Power Development Authority (WAPDA)	40,000,000
Satpara Irrigation Project	Improves irrigation systems to increase agricultural output	1/11	9/14	WAPDA	10,000,000
Dairy Project	Improves milk production and increases sales	7/11	7/14	Dairy Rural Development Foundation	4,000,000
Balochistan Agriculture Project	Assists Balochistan in improving livelihoods and food security	9/10	12/12	U.N. Food and Agriculture Organization	10,400,000
Grain Storage Project	Provides technical expertise to support the establishment of public-private partnerships for the management, handling, and storage of strategic grain reserves	1/11	1/14	International Finance Corporation	2,500,000
Transfer to USDA	Improves production and sales of commodities, enhances Government of Pakistan research and extension work, and helps eradicate agricultural diseases	2009	Renewed annually	USDA	40,000,000
Agriculture Policy Project	Strengthens evidence-based policy analysis for food security and macroeconomic stability	7/11	7/15	International Food Policy Research Institute	5,800,000

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Agribusiness Project	Increases productivity, product quality, and competitiveness of agribusiness value chains*	11/11	11/16	Agribusiness Support Fund	10,300,000

Source: USAID/Pakistan.

* A value chain includes the full range of activities required to bring a product or service from concept to end use. Value chains include activities such as design, production, marketing, and distribution.

USAID considers the following two performance indicators in monitoring the overall results of its economic growth programs: number of smallholder farmers benefiting from U.S. Government assistance (662,240 smallholder farmers as of December 31, 2011) and number of hectares under improved technologies or management practices as a result of U.S. Government assistance (6,274 hectares as of December 31, 2011).

USAID reported the following examples of progress and success in its portfolio of economic growth and agricultural programs:

- The Trade Project supported a subworking group of the Federal Board of Revenue to discuss infrastructure requirements at two border crossings, Torkham and Chaman. The project has initiated a rapid information technology assessment of the Customs Office and the customs process. Upon completion of the assessment, the project will support an electronic data interchange at the Torkham and Chaman crossings to manage the risk of bottlenecks at critical points in the clearance process on the Afghanistan-Pakistan border.
- The Trade Project began providing support for the normalization of trade with India. After discussions with the Government of Pakistan and private sector stakeholders, the project identified potential areas for support. The project identified credible local Pakistani institutions and individuals to serve as partners in research and in raising public awareness. The project also conducted a rapid capacity assessment of the customs border post at Wagah on the Pakistan-India border to anticipate procedural and infrastructural bottlenecks that could occur as trade between the two countries increases.
- During the period, the Entrepreneurs Project registered 21,609 producers for assistance, 86 percent of whom were women. Under the project, producers were organized into 597 groups for assistance with dairy, embellished textile, and medicinal and aromatic plant value chains. Of the project's registered beneficiaries, 11,751 have received training in improved production practices.

- The Firms Project introduced the Balochistan Agriculture Department to the reform movement in agricultural marketplaces currently under way in Punjab Province. These reforms permit private sector management of agricultural marketplaces, reducing a number of restrictive practices associated with government-managed markets.
- The Competitiveness Support Fund held the second international conference of the Competition Commission of Pakistan, “Competition Enforcement Challenges and Consumer Welfare in Developing Countries,” on December 1–2, 2011. Panelists drawn from 12 countries shared perspectives on the enforcement of and advocacy for competition law in their countries, and lauded the Competition Commission of Pakistan for its related work in Pakistan. Representatives from USAID, the U.S. Embassy, and the Government of Pakistan—including Prime Minister Gilani—attended the conference.
- USAID signed the Gomal Zam Irrigation Project with WAPDA on October 15, 2011, and on November 3, 2011, signed a purchase order with ELAN Partners to conduct site visits to verify work done by WAPDA. ELAN Partners verified the first and second project benchmarks, paving the way for corresponding project payments to WAPDA.
- The Agriculture/Flood Recovery Project continues to work in the province of Khyber Pakhtunkhwa on the rehabilitation of 281 flood-damaged small irrigation sites, mainly water courses. Additional cement, sand, and gravel are being supplied to these sites under the project.
- USAID signed its Agribusiness Project cooperative agreement with the Agribusiness Support Fund on November 10, 2011. The project is a nationwide effort to develop livestock and horticultural value chains.

USAID also reported challenges to implementing its economic growth and agriculture programs. Among these was the decision by the Punjab provincial government not to accept USAID assistance. The inability to work with the provincial government there poses challenges for program coordination and obtaining necessary cooperation on policy-related issues.

DOC. DOC has three programs that support the Embassy’s economic growth initiative—its market research, preliminary information memorandum, and event management programs.

- The market research program aims to provide interested investors with information about promising sectors of the Pakistani economy. DOC’s partner for the project has completed seven market research reports on the automotive, energy, food-processing and -packaging, information technology, telecommunications, paper and paper board, and oil and gas sectors.

- DOC's preliminary information memorandum program is designed to highlight credible projects with high potential for financial return. As of December 2011, 13 preliminary information memorandums had been completed under the program and 3 others were in the final stages.
- The event management program has sponsored an investment promotion conference, a Pakistani business delegation to the United States, and a delegation of prospective American investors to Pakistan. During the quarter, DOC collaborated with the Pakistani Board of Investment to sponsor a multilateral investment promotion conference, which attracted significant media coverage. Two more business delegations and three investment promotion conferences were in the planning stage as of December 2011.

DOC reported that security-related political developments hampered program progress during the quarter. DOC planned to hold an investment promotion conference in November 2011, but the event, which the Pakistani Prime Minister and the U.S. Ambassador were expected to attend, was postponed following the cross-border incident earlier that month.

USDA. USDA continues to implement agricultural development programs with funding from USAID. These programs provide assistance to increase agricultural productivity through technical exchanges, agricultural research, and control of plant and animal diseases. USDA programs are implemented through international organizations. These institutions, in turn, work with Pakistani universities, Pakistani agricultural research groups, and government agencies to implement program activities.

USDA reported the following examples of progress and success for the quarter:

- The Wheat Productivity Enhancement Program registered a stem-rust-resistant wheat variety and initiated a wheat-rust surveillance system in Pakistan to identify rust diseases from different locations in the country.
- Under the Animal Disease Control Program, more than 100 laboratory technicians and veterinarians were trained in advanced techniques for diagnosing foot and mouth disease, and diagnostic equipment was provided to each of the provincial veterinary laboratories and the National Veterinary Laboratory in Islamabad.
- Under the Cotton Productivity Enhancement Program, USDA and Pakistani researchers tested 365 cotton varieties to evaluate their level of resistance to cotton leaf curl virus.
- The International Center for Agricultural Research in Dry Areas held a workshop for provincial and national research groups and government officials to establish work plans and budgets for the Watershed Rehabilitation Program. The program will construct demonstration farms to teach farmers the benefits of good farm water management and to introduce alternative technologies for irrigation and on-farm water storage.

- USDA recruited and selected eight Pakistani researchers for a Norman Borlaug fellowship to study wheat rust in Mexico, the United States, and Kenya. USDA also selected ten candidates under the Cochran Fellowship Program to study enhanced techniques for aquaculture feeding and fresh water fish production at U.S. universities.
- The American Soybean Association, USDA's implementing partner, signed an agreement with the Pakistani Aquaculture Development Board to conduct fish feeding trials using U.S. soybean meal and production management techniques.

USDA reported that its programs are working well at the provincial and local levels. At the national level, however, delays in establishing the Pakistani Food Security and Research Ministry have posed problems for some programs because there is no clear Pakistani counterpart to make decisions regarding program activities. USDA also noted that visa difficulties in both Pakistan and the United States have prevented some scientists from participating in training programs and conferences. New policies requiring the submission of visa requests sooner should help alleviate these problems.

USTDA. USTDA funds various forms of technical assistance, feasibility studies, reverse trade missions, and business workshops that support the development of a modern infrastructure and a fair and open trading environment. In Pakistan, USTDA activities emphasize the need for infrastructure improvement in energy, transportation, and food security and attempt to link Pakistani development interests with U.S. exports and American companies offering project solutions.

Energy

Nearly half of the Pakistani population lacks access to modern energy services. Rolling blackouts often last 10 to 12 hours per day, constraining economic development and disrupting health, education, and other services. High subsidies, low rates of tariff collection, and distorted prices have discouraged private companies from building additional capacity. The U.S. Government and other donors are providing technical assistance to help the Pakistani Government develop appropriate energy pricing, regulatory, and privatization policies and are assisting in implementing Pakistan's energy reform plan.

U.S. Government agencies aim to increase electricity generation, decrease transmission losses, and increase cost recovery by investing in selected energy infrastructure and supporting Pakistani Government reform efforts with technical assistance and new technology. USAID supports programs in this category of assistance.

USAID has nine energy programs under way. To meet growing energy demands, USAID's programs seek to help the Pakistani Government supply hydropower through the completion of the Gomal Zam and Satpara Dams and the rehabilitation of the Tarbela Dam. USAID is also rehabilitating three thermal power stations. Table 3 lists USAID's active programs in this category of assistance.

Table 3. USAID Energy Programs as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Gomal Zam Dam Project	Increases hydropower capacity and builds transmission lines	1/11	12/12	WAPDA	40,000,000
Satpara Dam Project	Increases hydropower capacity	1/11	4/13	WAPDA	19,000,000
Tarbela Dam Project	Rehabilitates a hydropower station	4/10	3/12	WAPDA	16,500,000
Jamshoro Project	Rehabilitates a thermal power station	5/10	7/12	WAPDA	18,360,000
Muzaffargarh Project	Rehabilitates a thermal power station	5/10	7/12	WAPDA	15,193,000
Guddu Project	Repairs and maintains a thermal power station	5/10	11/12	WAPDA	18,068,000
Power Distribution Project	Improves management capacity, financial systems, billings, and collections of power distribution companies	9/10	9/13	International Resources Group	59,500,000
Tube Well Efficiency Project	Improves efficiency of irrigation tube wells	3/09	3/12	International Resources Group and Khushhali Bank	28,500,000
Energy Policy Project	Provides technical and engineering support to USAID-funded infrastructure projects implemented by the Government of Pakistan	10/08	2/12	Advanced Engineering Associates International	12,379,639

Source: USAID/Pakistan.

USAID considers the following performance indicator in monitoring the overall results of its energy programs: megawatts of energy added as a result of U.S. Government-supported construction and rehabilitation efforts (380 megawatts as of December 31, 2011).

USAID reported the following examples of accomplishments in its portfolio of energy programs:

- The six signature energy projects that Secretary Clinton announced in October 2009, involving rehabilitation and new construction of hydroelectric and thermal power plants, progressed. USAID has received claims for reimbursement worth \$66.5 million, of which \$59.8 million has been reimbursed to the Government of Pakistan since January 2011.
- The Tarbela Dam is now generating an additional 108 megawatts of capacity.
- The Satpara Dam is currently operating at 13.8 megawatts of capacity and is serving the population of Skardu.
- Thermal power plants at Jamshoro and Muzaffargarh added 25 megawatts and 235 megawatts, respectively, of power generation capacity to the country.
- Women working in engineering, customer service, and other departments of the Islamabad Electric Supply Company received information technology training as part of the Power Distribution Project. The project is helping reform the energy sector by improving the performance of Pakistan's power distribution companies so that they can reduce losses and generate more income. In total, 1,100 people are being trained.
- Capacity-building efforts continue at more than 20 key government institutions with responsibilities relating to power sector performance. More than 900 Government of Pakistan officials have received technical training on critical energy activities aimed at improving operational performance, customer service, and financial results.
- USAID has begun to restructure its Tube Well Efficiency Project to increase overall pump sales and reduce the time between farmers' decisions to use high-efficiency pumps and actual pump installation. In addition, USAID has taken steps to respond to OIG audit recommendations, including modifying the terms of the underlying contract to reflect changes in project activities.

USAID also reported challenges to the implementation of its energy programs:

- USAID continues to study the outcomes of the U.S.-Pakistan Energy Dialogue and evaluate critical issues in the energy sector, including governance, financial health, electricity rates, market efficiency, private sector participation, civil society and community participation, institutional capacity, and the legal and regulatory framework.
- USAID amended fixed-amount reimbursement agreements for the hydropower dams at Tarbela, Gomal Zam, and Satpara to reflect new completion dates and adjust payment schedules to address immediate funding requirements and enhance project performance. Parallel amendments to the

agreements for thermal power plants in Guddu, Muzaffargarh, and Jamshoro are under way. Delays in the acquisition of parts, prolonged contract negotiations with subcontractors, and lack of foreign exchange allowances have delayed project implementation.

Education

Pakistan's education system faces serious challenges. According to the U.N. Educational, Scientific and Cultural Organization's 2011 *Education for All Global Monitoring Report*, Pakistan ranks 119 out of 127 countries on the Education for All Development Index. Pakistan's schooling system is beset by chronic underfinancing, poor quality, and corruption, resulting in some of the worst and most unequal results on education indicators in South Asia. Pakistan has a net primary school attendance rate for both genders of 66 percent, compared with a world average of 90 percent. Of the children who do enroll in school, 30 percent drop out by Grade 5. In higher education, Pakistan remains far behind most of its neighbors in terms of quality, access, and capacity. In FY 2011, only 4.2 percent of 18- to 23-year-olds in Pakistan had access to higher education, a significantly smaller proportion than in India (7 percent) and Malaysia (12 percent).

The United States aims to improve access to high-quality education through its assistance in basic and higher education. These efforts include repairing and rebuilding schools and colleges, providing access to high-quality teaching and learning materials, improving teacher preparation, strengthening the reading skills of primary grade students, improving provincial and district management and policies, developing university scholarships and faculty exchanges in applied research in key disciplines, and fostering effective oversight of education by civil society. USAID and the U.S. Embassy's Public Affairs Section (PAS) support programs for educational improvement.

During the reporting period, USAID had nine education programs under way (Table 4). These programs focus on improvement in basic and higher education by providing training for teachers, scholarships for students, and support for reconstruction and renovation of schools.

Table 4. USAID Education Programs as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
U.S.-Pakistan Science and Technology Cooperative Program	Provides opportunities for cooperation between Pakistan and the United States in science and technology	9/05	Renewed annually	National Academy of Sciences	12,705,605

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Fulbright Scholar Program	Provides scholarships to Pakistani graduate students to study at U.S. universities	9/04	Renewed annually	U.S. Department of State and United States Educational Foundation in Pakistan	132,000,000
Higher Education Commission Support	Provides budget support to the Higher Education Commission	3/10	2012	Higher Education Commission	91,000,000
Women's Hostel Project	Supports construction of a 360-bed women's dormitory at Foreman Christian College	7/11	8/14	Forman Christian College	7,000,000
Education Quality and Access Project	Trains primary and middle school teachers and renovates conflict-damaged schools	10/07	10/12	American Institutes for Research	89,314,430
Children's Television Project	Provides interactive teaching and learning for children through a television program	5/10	5/14	Rafi Peer Theatre Workshop	10,000,000
Earthquake-Damaged Schools Reconstruction Program	Reconstructs earthquake-damaged schools	10/06	4/12	Smith Construction	121,250,980
Pre-Service Teacher Education Program	Provides preservice education for teachers	5/11	9/13	Educational Development Center	40,000,000

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Sindh Basic Education Program	Supports early grade reading program, provides technical assistance, and supports reconstruction of schools	9/11	9/16	Sindh Department of Education	105,000,000

Source: USAID/Pakistan.

USAID considers the following two performance indicators in monitoring the overall results of its education programs: number of schools constructed with U.S. Government support (36 schools as of December 31, 2011) and number of schools rehabilitated with U.S. Government support (213 schools as of December 31, 2011).

USAID reported the following examples of accomplishments in its portfolio of education projects:

- The Higher Education Commission (HEC) created a 4-year bachelor's degree and a 2-year associate's degree in education with USAID support. These degree programs are offered at universities and colleges in every province. USAID is working this year with universities to develop additional courses of study for these degrees. The introduction of the associate degree concept has proven so successful that HEC has decided to offer associate degrees in all subjects at all universities.
- Technical assistance in teacher education and professional development has placed the issue of qualified teachers on the national agenda. Preservice standards to professionalize the teaching force, developed with USAID assistance, have been adopted in Sindh Province and are being introduced in all other provinces.
- "Sim Sim Hamara," an educational television program for children created by the Pakistan Children's Television Project, was formally launched at a celebration in Lahore on November 26, generating widespread national and international media interest. The implementing partner, Rafi Peer Theatre Workshop, created "Sim Sim Hamara" in collaboration with Sesame Street Workshop USA. The weekly program will introduce children to basic language and math skills while teaching tolerance and mutual respect. The first episode aired in Urdu on the Pakistan Television Network on December 10; episodes of the program in four other languages spoken in Pakistan are expected to air in 6 months.
- USAID worked with HEC to introduce need-based scholarships, which had not previously been given in Pakistan. To date, 1,400 such scholarships have been awarded, and 559 students are

currently receiving such scholarships. Through USAID assistance, 11 universities established financial aid offices and were trained in fundraising for their own scholarship programs. Today, universities across Pakistan have financial aid offices based on the model USAID established with HEC.

USAID also reported challenges to the implementation of its education projects:

- Although U.S. Government assistance has improved access to and the quality and governance of the education system, political and security issues continue to hinder movement of staff, slow implementation, and even lead to the cancellation of projects. For example, USAID's \$150 million flagship Southern Punjab Basic Education Program was cancelled by the Chief Minister of Punjab, who refused government-to-government assistance shortly after the raid on Osama bin Laden's compound in Abbottabad. This project cancellation represented a missed opportunity for more than 1.8 million children, 3,000 schools, and 50,000 teachers, and required USAID to adjust its approach to basic education. USAID subsequently signed a \$59 million agreement with the government of Sindh Province to support the Sindh Basic Education Program using funds initially intended for the Punjab Basic Education Program. USAID is preparing revised targets to reflect this shift in the program.
- In FY 2011, constitutional reforms were signed into law leading to the decentralization of Pakistan's basic education sector. Schools at all levels are now the responsibility of local governments and districts. This devolution of authority is expected to improve access to and quality of education and provide opportunities to improve governance, reinforce local curriculums, increase monitoring of educational performance, and strengthen accreditation. However, local capacity to manage these responsibilities varies greatly, and newly established districts with very low management capacity will require continued technical assistance to meet the challenges facing them.
- In higher education, uncertainty about the governance and budgetary situation, along with political instability and the deteriorating security situation, has decreased support for students just when the demand for resources for evolving scientific and engineering programs is rising. These factors create challenges for HEC and threaten to reverse improvements in quality, undercut faculty retention, and reduce student enrollment—all of which could, in turn, undermine the sector's impact on economic and social development.

PAS. PAS operates the largest U.S. Government-sponsored educational and cultural program in the world in support of the mission's education and strategic communication efforts. PAS is currently focused on maintaining exchange programs and expanding in-country English language and alumni programs.

PAS exchange programs are largely implemented through U.S.-based not-for-profit institutions. However, outreach and participant recruiting activities are conducted with a wide variety of Pakistani Government entities, media, educational institutions, and NGOs. The United States Educational

Foundation in Pakistan is heavily engaged in the recruitment and selection of participants for academic and professional programs.

According to PAS, bilateral exchange programs have received record applications, and in 2011, a new focus on alumni programming invigorated a Pakistani-led alumni association that currently has more than 8,000 members. Meanwhile, PAS efforts to expand in-country English instruction have resulted in the enrollment of 6,000 Pakistani students between the ages of 14 and 15 in associated after-school programs. Using Pakistani interlocutors, the program is expanding into regions of strategic interest, including Quetta and other regions of Balochistan, southern Punjab, and Khyber Pakhtunkhwa.

Outside evaluations of PAS's Fulbright Program and the Global Undergraduate Program scheduled for completion in the fall of 2012 began during the reporting period.

PAS identified two main program challenges during the reporting period. Programs that bring U.S. citizens (e.g., cultural envoys and speakers) to Pakistan have been hampered by problems obtaining Pakistani visas. In addition, security restrictions continue to impede efforts within Pakistan, limiting programs to Islamabad, Karachi, and Lahore. To address the latter challenge, PAS employs digital video conferencing and Internet-based streaming to communicate with a wider audience.

Health

The quality of basic health services is uneven in Pakistan, with the rural population particularly underserved. Improving the quality of care is complicated by the country's growing population and by the ongoing devolution of health services to the provinces. Pakistan's high fertility rate is expected to more than double the population by 2050, further straining the health system. The provinces, which do not yet have the financial and human resources to assume added health-care responsibilities, are negotiating with the federal government for adequate funding, skilled staff, and management and accountability systems at the provincial level.

USAID supports the Government of Pakistan in developing the capacity to deliver, with the assistance of NGOs and contractors, high-quality, cost-effective health interventions. Examples include efforts to reduce infant mortality and prevent maternal deaths.

USAID has 14 programs under way to support health services (Table 5). These programs focus on renovation and reconstruction of facilities, family planning, and polio eradication. In addition, USAID will be supporting a Demographic and Health Survey in Pakistan to collect and compile household information to inform national health indicators.

Table 5. USAID Health Programs as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Jinnah Post-Graduate Medical Center Project	Reconstructs the obstetrics and gynecology/fistula ward	5/10	4/13	CDM Constructors Inc. (CDM)	4,059,270
Jacobabad Civil Hospital Project	Renovates Jacobabad Hospital	10/10	10/13	CDM	10,049,000
Health Supplies Project	Procures contraceptives and vaccines for national distribution	4/10	4/15	Various	44,975,765
Health Supplies Delivery Project	Provides logistical support with contraceptives to the provincial health ministries	9/08	Renewed annually	John Snow Inc.	5,000,000
Family Health Project	Supports the diversification of family planning activities	6/07	6/12	Population Council	48,424,566
Health Services Academy Support Project	Develops and strengthens institutional capacity in public health training and research	7/08	12/12	Pakistan Health Services Academy	7,200,000
Tuberculosis Survey Program	Conducts a survey of tuberculosis prevalence	6/10	3/12	Koninklijk Nederlandsche Centrale Vereeniging	4,570,000
Polio Vaccination Program	Conducts annual polio eradication campaigns	1/03	Renewed annually	United Nations Children's Fund (UNICEF)	8,500,000
Polio Vaccination Program	Conducts annual polio eradication campaigns	1/03	Renewed annually	World Health Organization	9,000,000

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Tuberculosis Project (flood support)	Renovates flood-affected tuberculosis facilities and restocks their medicines and equipment	4/11	12/11	John Snow Inc.	7,378,000
Nutrition Assessment Project	Supports the National Nutrition Survey, which will identify links between nutrition and family planning and determine the level of vaccination coverage in Pakistan	4/11	4/12	Aga Khan University	588,974
Health Care Management Project	Assists with the devolution of nearly all public health responsibilities from the federal to provincial ministries	1/11	1/14	John Snow Inc.	5,265,000
Field Epidemiology and Laboratory Training Program	Provides training to epidemiologists	8/05	12/11	Centers for Disease Control and Prevention	5,683,676
Demographic Health Survey	Supports a survey to collect health status data and statistics for national indicators	12/11	12/15	Macro International Inc.	8,000,000

Source: USAID/Pakistan.

USAID considers the following two performance indicators in monitoring the overall results of its health programs: number of health facilities rehabilitated with U.S. Government support (130 facilities in FY 2011), and number of polio immunization campaigns completed (8 campaigns in FY 2011).

USAID reported the following examples of progress and success in its health programs:

- The USAID Health Care Management Project provided technical assistance to the Government of Sindh to develop a health sector reform unit within the provincial department of health. A budget has been allocated for this unit, and the Sindh Government is in the process of establishing this new entity, which will play the lead role in planning and enacting health reforms.
- The Pakistan Health Services Academy, with USAID support, organized the second annual public health conference in Pakistan. The theme of the conference was “Promoting Public Health in the Wake of the Reforms.” The conference brought together leaders from government, NGOs, the private sector, academia, and international development partners to share ideas to improve governance and augment human resources in public health now that the responsibilities for health care have been devolved to provincial departments of health.
- Through USAID efforts to reduce the spread of hepatitis, 13.5 million single-use syringes were distributed to provinces. The syringes are part of a larger hepatitis control program aimed at addressing unsafe injection practices in health facilities.

USAID also reported health program implementation challenges associated with changes in the administration and management of government health systems in Pakistan. With the devolution of the Ministry of Health, adequate financing and clear roles and responsibilities at the provincial level have yet to be resolved. The lack of organization after devolution remains problematic for the Pakistani health-care system.

Stabilization

The U.S. Government seeks to enhance stability in border areas and regions vulnerable to violent extremism. The U.S. Government supports the Government of Pakistan’s efforts in the Federally Administered Tribal Areas (FATA), Khyber Pakhtunkhwa, and other key areas through short-term development activities, some longer-term infrastructure investments, and support for incremental improvements in governance. Stabilization activities are guided by USAID’s strategy for stabilization that was prepared in 2011 and closely aligned with the 2010 Post Crisis Needs Assessment for FATA and Khyber Pakhtunkhwa. Activities include improving the responsiveness and effectiveness of the Pakistani Government in restoring citizen trust, stimulating employment and livelihood opportunities, ensuring the delivery of basic services, countering radicalization, and fostering reconciliation. USAID, the U.S. Embassy’s NAS and the Regional Security Office (RSO) support assistance programs in this category.

USAID had 19 stabilization programs under way during the quarter (Table 6). These programs provide cash transfers for housing damage, vocational training, and improvements in roads and electricity generation. In addition, USAID is planning a program that will provide physical, social, and economic support to civilian victims of conflict.

Table 6. USAID Stabilization Programs as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
FATA Livelihood Development Program	Provides vocational training and apprenticeships, establishes market linkages, and undertakes improvements in small-scale infrastructure for farmers	5/08	2/13	**	59,400,000
FATA Infrastructure Program	Improves roads; water infrastructure; and electricity generation, distribution, and transmission	12/09	12/14	**	160,000,000
Pakistan Transition Initiative	Supports conditions for stability and development in conflict-prone and other priority areas of Pakistan	11/07	12/15	Office of Transition Initiatives	130,919,945
Khyber Pakhtunkhwa Reconstruction Program	Supports the reconstruction and recovery of conflict-affected districts	3/10	12/14	Provincial Reconstruction, Rehabilitation and Settlement Authority	83,534,400
FATA Secretariat Support Project	Increases the capacity of FATA Secretariat for participatory planning, management, and oversight of stabilization and development activities	9/11	9/16	**	5,000,000
Provincial Reconstruction, Rehabilitation and Settlement Authority Capacity Building	Increases capacity for management and oversight of stabilization and development activities	2/10	1/12	**	1,527,398

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
FATA Child Health Project	Provides health equipment and mobile health units, reconstructs health facilities, and trains health-care providers	9/06	12/12	**	26,150,000
Monitoring and Evaluation – Malakand	Supports monitoring and verification of USAID investments in small-scale infrastructure	4/10	2/12	**	3,760,000
Monitoring and Evaluation – FATA	Supports monitoring and verification of USAID investments in road and electricity infrastructure	12/09	2/12	**	2,340,000
Radio Transmitters in FATA and Khyber Pakhtunkhwa Project	Provides radio transmitters to FATA and Khyber Pakhtunkhwa	6/10	3/12	**	8,639,577
Child Protection Program	Establishes child protection centers and provides support for psychological counseling	9/10	9/12	UNICEF	3,538,000
Benazir Income Support Program[†]	Provides cash assistance to needy families	6/09	6/10	Benazir Income Support Program (BISP)	160,000,000
Malakand and FATA Housing Support Program	Provides housing damage assistance for FATA and Khyber Pakhtunkhwa through a cash transfer	6/10	9/12	Provincial Reconstruction, Rehabilitation and Settlement Authority	65,000,000
Citizens' Damage Compensation Fund	Provides cash assistance to flood-affected households	6/11	6/12	National Database and Registration Authority	190,000,000

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Multi-Donor Trust Fund	Provides grants in Khyber Pakhtunkhwa, FATA, and Balochistan for restoration of damaged infrastructure and disrupted services, improvement of government service delivery, and maintenance of community livelihoods	7/10	12/15	World Bank	25,000,000
Human Resources, Logistical and Rapid Procurement Support to National Disaster Management Authority (NDMA)	Provides capacity building and procurement of relief supplies for flood-affected people on behalf of NDMA	8/10	3/12	International Organization for Migration	5,800,000
Monitoring and Assessment of USAID's Sindh Flood Relief Efforts	Monitors USAID-funded flood assistance activities in Sindh	10/10	3/12	**	192,171
Monitoring and Assessment of Balochistan Flood Relief Efforts	Monitors USAID-funded flood assistance activities in Balochistan	10/10	3/12	**	204,284
Monitoring and Assessment of USAID's Punjab and Khyber Pakhtunkhwa Flood Relief Efforts	Monitors USAID-funded flood assistance activities in Punjab and Khyber Pakhtunkhwa	10/10	3/12	**	487,518

Source: USAID/Pakistan.

** The names of some USAID implementing partners above have been withheld for security reasons.

† USAID has fully disbursed assistance dollars to BISP but continues to monitor BISP rupee disbursements.

USAID reported the following examples of progress and success in its stabilization activities:

- The FATA Secretariat has taken advantage of a second phase of USAID capacity building and technical assistance to address priority needs identified in the project baseline assessment completed in October 2011. USAID implementation of management systems and training program development has begun on four systems: human resources, local government, social welfare, and gender empowerment. On October 1, USAID disbursed \$29 million to the FATA Secretariat for the construction of roads in South Waziristan Agency, enabling these efforts to progress.
- USAID and the Government of Pakistan signed an amendment to the Khyber Pakhtunkhwa Reconstruction Program agreement on December 9, 2011, providing \$31.5 million to fund Provincial Reconstruction, Rehabilitation and Settlement Authority capacity strengthening, flood-damaged infrastructure projects in Swat, and community water and sanitation projects that will serve an estimated 75,000 people. A subdistrict construction project will provide administrative capacity to the local government in Swat. Slow progress on school construction was addressed at several meetings with Provincial Reconstruction, Rehabilitation and Settlement Authority representatives, provincial officials, and the engineering department, leading to the acceleration of construction work on 24 schools in Malakand Division.
- In November, USAID procured school supplies and equipment for schools being constructed in Malakand Division. USAID expects to award a contract to a local vendor in January 2012 under the Khyber Pakhtunkhwa Reconstruction Program.
- Through the USAID Khyber Pakhtunkhwa Reconstruction Program, the procurement of school supplies and equipment on behalf of the Khyber Pakhtunkhwa Elementary and Secondary Education Department for the schools being constructed in Malakand Division began in November, and an award to a local vendor was anticipated in January 2012.
- The water and sanitation assessment report of Peshawar Town I completed in September 2011 under the Municipal Services Program⁶ was shared with provincial and municipal authorities and key stakeholders. A forthcoming workshop in Peshawar will convene the local government and Government of Khyber Pakhtunkhwa to discuss the report and its impact on Municipal Services Program planning and implementation, the establishment of new municipal government entities in Peshawar, and the feasibility of various options to supply surface water to Peshawar.
- The World Bank held two training workshops on the fiduciary arrangements under Multi-Donor Trust Fund projects in Peshawar on November 30 and December 1, 2011. These workshops were

⁶ The Municipal Services Program has a cross-cutting focus. Accordingly, summary information about the program appears in Table 7.

attended by officials and project teams working on projects in Khyber Pakhtunkhwa and FATA. The Senior Minister for Khyber Pakhtunkhwa, Additional Chief Secretary, and Secretary for Planning and Development attended the opening and closing sessions.

USAID also reported problems that continue to affect the implementation of its stabilization programs:

- In South Waziristan, electrification and water infrastructure projects continue to be affected by low technical capacity. USAID personnel are providing the FATA Secretariat and its contractor with technical support to address these deficiencies and accelerate progress.
- Security in some vulnerable areas has hindered project implementation. On November 18, following months of negotiations, the Pakistani Frontier Corps approved access for a USAID implementing partner's construction workers to break ground in the community of Mamad Gat, Mohmand Agency. The new facility they are building under the FATA Child Health Project is expected to serve 10,000 beneficiaries a year when completed. Work stopped following the cross-border incident along the Afghanistan-Pakistan border on November 24, but resumed in early December.
- The Government of Pakistan's refusal to certify the FATA Child Health Project implementer's duty-free importation of a \$50,000 consignment of USAID-financed pharmaceuticals hindered program performance. Following a request from USAID/Pakistan, the Economic Affairs Division of the Pakistani Ministry of Finance and Economic Affairs provided assistance to clear the shipment through customs. To help avoid future delays of this kind, USAID/Washington's Office of Global Health approved a waiver allowing procurement of pharmaceuticals from local sources. The Pakistani Government indicated in mid-December that it is committed to resolving this issue.
- The lack of women's participation in development programs continues to be a challenge. USAID/Pakistan engaged technical support from USAID/Washington's Office of Afghanistan and Pakistan Affairs to develop a scope of work for a gender analysis that will fully review the FATA-Khyber Pakhtunkhwa stabilization portfolio in light of new Agency policies regarding gender, stabilization, and countering violent extremism.

NAS. NAS has five programs that support improved security, legal reforms, and counternarcotics efforts. With the exception of limited direct assistance to Pakistani NGOs in support of demand reduction efforts, NAS projects are all implemented in partnership with the Government of Pakistan. Partners include the Ministry of Narcotics Control, Ministry of Interior, FATA Secretariat, Pakistan police, and civilian law enforcement agencies.

NAS reported the following developments in its current programs:

- *Rule of Law Program.* In Karachi and Islamabad, 129 prosecutors were trained under the program.

- *Police Program.* During the quarter 667 officials from across Pakistan were trained under the program. This total includes 72 law enforcement personnel from Khyber Pakhtunkhwa and Balochistan who completed basic training and received instruction on the conduct of drug investigations.
- *Aviation Program.* During the quarter, the NAS-supported Air Wing Project provided more air assistance to Pakistani law enforcement than ever before. Helicopters formerly used only in the training of Pakistani police were used for the first time in operations, and the Air Wing was called upon to support medical and casualty evacuations following an ambush of Frontier Corps troops. In total, the Air Wing flew 830.5 hours over the quarter.
- *Infrastructure Program.* NAS is assisting with the construction of border outposts along the Afghanistan border. Construction work on 8 outposts has been completed, and the work on the remaining 28 is in progress. NAS is also working on improving living accommodations for Levies Force personnel and has completed three related projects in FATA.
- *Civilian Law Enforcement Reform Program.* NAS delivered \$3.5 million worth of equipment to Pakistani law enforcement agencies across the country.

NAS also reported that feedback on training provided to Pakistani police, prosecutors, and other law enforcement agency personnel has been positive and that demand for future instruction is growing. NAS indicated that infrastructure development projects and commodity assistance to Pakistan police and other law enforcement agencies have contributed to the effectiveness of the recipient agencies in enforcing law and order and countering militancy and extremism in the country.

NAS reported that travel restrictions, delays in the clearance of planning documents, and the difficult security environment add complexity to the operating environment. Delays in the ratification of an amendment to a letter of agreement for additional funds set back some program efforts. Although NAS's Pakistani staff members have been harassed by representatives of the Government of Pakistan in the past, no such incidents of harassment were reported during the quarter. However, some infrastructure projects have faced planning difficulties and procedural complications. NAS is engaging the provincial bureaucracy in resolving these issues.

RSO. RSO contributes to improved security and legal institutions in Pakistan through antiterrorism assistance. RSO provides a full range of tactical and investigative courses and support to increase the capacity and capabilities of Pakistani law enforcement officials from all of its provinces and the Frontier Constabulary. During the quarter, RSO delivered seven training courses to 156 officers.

RSO noted that obtaining Pakistan visas for instructors in a timely manner has been difficult. Several courses have been postponed because instructors were unable to obtain a visa by the scheduled date of instruction. In addition, equipment grants have not been distributed since March 2011 because of limitations in Pakistani Government cooperation.

Cross-Cutting Priorities: Good Governance, Gender Equity, and Greater Transparency

The cross-cutting priorities of U.S. Government assistance—improved governance, gender equity, and greater transparency—have been included in the discussion of sectoral assistance programs as appropriate. The U.S. Government also supports programs focused exclusively on these areas.

USAID has 13 programs designed to improve governance, gender equity, and transparency (Table 7). USAID's programs in this category of assistance include a hotline for the public to register complaints, support to organizations that oppose domestic violence and gender discrimination, and civil society support. In addition to its ongoing programs, USAID is planning a program to monitor the upcoming national elections.

Table 7. USAID Governance, Gender Equity, and Transparency Programs as of December 31, 2011 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Construction of Pakistan Institute of Parliamentary Services Building	Supports construction of the Parliamentary Institute	3/10	6/12	Habib Rafiq	9,300,000
Anti-Fraud Hotline Project / Anti-Corruption Program	Allows citizens to report waste, fraud, and abuse of U.S. Government funds through a free hotline	1/09	9/15	Transparency International-Pakistan	1,150,000
Political Polling	Conducts three nationwide public perception polls	11/10	1/12	International Republican Institute	500,000
Gender Equity Program	Makes small grants to organizations opposing domestic violence and gender discrimination	8/10	8/15	Aurat Foundation	14,368,429

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Small Grants / Ambassador's Fund	Makes small awards for community initiatives that support U.S. foreign assistance objectives	8/10	8/15	National Rural Support Program	14,000,000
Citizens' Voice Project	Makes small grants to civil society projects that support U.S. foreign assistance objectives	5/11	9/15	Trust for Democratic Education and Accountability	10,000,000
Political Parties Development Program	Improves transparency and accountability of Pakistani political parties to their constituents	7/11	7/15	National Democratic Institute	4,500,000
Exchanges/Strategic Communications	Conducts a variety of exchange programs and in-country English language training that support strategic communications objectives	7/05	2015	DOS, Bureau of Educational and Cultural Affairs	9,223,500
Independent Monitoring and Evaluation Contract	Provides missionwide support for monitoring, evaluation, and the PakInfo system	6/11	6/16	Management Sciences International	7,000,000
Support to Special U.N. Envoys to Pakistan	Provides support for the Office of the Special Envoy of the Secretary General for Assistance to Pakistan	6/09	12/11	U.N. Secretariat	2,030,980

Name	Description	Start Date	End Date	Implementing Partner	Budgeted Amount (\$)
Transfer to USIP	Promotes religious tolerance, peaceful interfaith dialogue, and contributes to efforts to counter violent extremism	8/11	8/11	USIP	3,000,000
Capacity Building for Human Rights and Gender	Provides collaborative capacity building for human rights and gender	1/09	9/11	American University Washington College of Law	2,355,347
Municipal Services Program*	Improves basic municipal services delivery	7/10	7/15	Provincial Government's Planning and Development Departments	90,000,000

Source: USAID/Pakistan.

* This program now includes the Jacobabad and Peshawar Water Program reported in the previous quarterly report under USAID health sector programs.

USAID provided examples of progress and success in its governance assistance programs:

- In October, technical review committees of the Governments of Sindh and Khyber Pakhtunkhwa approved planning commission documents for USAID's Municipal Services Program. These documents will now be sent to the executive committee of the National Economic Council, which is chaired by the Minister of Finance, for final approval. The establishment of project management units by the provincial governments is the next major milestone needed to continue to move toward implementation.
- USAID launched the Citizens' Voice Project, announcing the first grant cycle on November 3, 2011. The program is intended to foster citizen engagement with state institutions on key development issues through advocacy, government oversight, public awareness campaigns, and public-private partnerships. Up to \$2.4 million will be awarded next quarter for projects in three areas: citizen oversight of municipal services, energy sector reform, and improved water rights. Public information sessions were held in Islamabad, Lahore, and Karachi, drawing 250–400 participants each. Applications were due on December 15, 2011, with awards planned in early 2012.

- USAID continues to collaborate with the Embassy on small grant applications and Ambassador Fund grant applications. To date, 38 awards, totaling \$3,904,388, have been executed. Some of the newest projects will rehabilitate or rebuild ten village water/drinking systems in Lower Dir (Khyber Pakhtunkhwa) and construct 105 biogas plants in Sarghoda District (Punjab). Other projects include building 20 community schools for 2,000 students in Jaffarabad and Naseerabad (Balochistan) as well as mobilizing parent-teacher management groups and providing maternal care services to pregnant women in Khyber Pakhtunkhwa by training specialized birth attendants and raising awareness about steps to safe motherhood.
- The Gender Equity Program made 22 awards in November to NGOs to support public outreach and advocacy activities during “16 Days of Activism,” leading up to International Women’s Day in March 2012. Grants will support the development of local action plans to promote awareness of women’s rights, address violence against women, and organize district-level public events to increase women’s empowerment. To date, the program has awarded 76 grants valued at more than \$3.5 million.

USAID also reported challenges to implementing programs for improved governance and gender equity:

- Women’s equal participation in all of Pakistan’s development programs remains a challenge.
- Stimulating citizen-government partnerships for improved program planning and implementation is necessary yet challenging, because it requires building confidence between and among public and private actors.
- Working with provincial governments to design and implement government-to-government agreements remains a very time-consuming process.

PAS. As part of the U.S. Embassy’s strategic communication efforts, PAS is expanding the in-country English Language Access Program. As of December 2011, this after-school program had provided English instruction to 6,000 Pakistani students between the ages of 14 and 15. Using Pakistani interlocutors, the program is expanding into regions that are of strategic interest, including Quetta and other regions of Balochistan as well as Khyber Pakhtunkhwa.

Assistance to Pakistani Institutions

To ensure greater Pakistani responsiveness and increase the sustainability of civilian programs, the United States plans to implement more programs through Government of Pakistan institutions, including national and provincial governments and NGOs.⁷ The purpose of this shift is to:

⁷ The Enhanced Partnership with Pakistan Act of 2009 encourages appropriate use of Pakistani firms and NGOs to implement the programs authorized under Title I of the act (Section 101(c)(3)).

- Align programs with locally identified priorities.
- Build Pakistanis' sense of ownership of programs.
- Build Pakistani institutional and leadership capacity for better fiscal management.
- Promote decentralization to more actively engage provincial and local partners and beneficiaries.
- Deliver on-budget assistance⁸ to promote transparency, harmonization, and better budget planning by the Government of Pakistan.
- Reduce costs.

USAID made 61 awards totaling more than \$1.268 billion during FY 2010, and 42 awards totaling \$439.5 million during FY 2011 to Pakistani institutions. USAID reported making 17 awards totaling approximately \$150.3 million during the reporting period (Table 8). Awards made by USAID fall into one of the following four categories: budget support (cash transfers), direct funding for federal government projects, direct funding for provincial government projects, and awards to Pakistani NGOs.

Table 8. Assistance to Pakistani Institutions Since October 1, 2011 (Unaudited)

Implementing Partner, Project	Number of Awards	Value (\$) of Obligations
Direct Funding for Government Projects	13	137,768,255
FATA Secretariat, Sararogha-Janjal Road	1	10,868,255
FATA Secretariat, Kundiwam Dam and Dhana Irrigation Projects SWAT	1	18,000,000
FATA Secretariat, Transmission Line of 132 KVA from Gomal Zam Dam	1	2,400,000
FATA Secretariat, Barang Road and Silay Patay Bridge in Bajaur	1	2,000,000
FATA Secretariat, Kaur-Wana Road, Repair of Flood Damages	1	6,254,588

⁸ Delivering U.S. assistance through Pakistan's own budgetary, spending, and accounting systems as much as possible is expected to help the Government of Pakistan meet the fiscal targets required by the International Monetary Fund and raise Pakistanis' awareness of where U.S. funds are going and how they harmonize with resources from the Government of Pakistan and other donors. On-budget assistance should also help reduce disruptions in implementation by enabling federal and provincial governments to improve budget planning and cash-flow management.

Implementing Partner, Project	Number of Awards	Value (\$) of Obligations
FATA Secretariat, Tank-Makeen Road, Repair of Flood Damages	1	4,090,215
FATA Secretariat, Tank-Makeen, Ahmad WAM Tunnel	1	279,740
FATA Secretariat, Tank-Makeen, Kotkai Tunnel/Bypass	1	1,651,558
FATA Secretariat, Reconstruction of Jandola Bridge	1	4,125,425
FATA Secretariat, Jandola-Sararogha, Repair of Bridges	1	1,158,820
FATA Secretariat, Sararogha-Makeen, Repair of Bridges	1	6,939,654
WAPDA, Gomal Zam Multipurpose Dam Project	1	40,000,000
Sindh Provincial Ministry of Education	1	40,000,000
Awards to Pakistani NGOs	4	12,542,537
Transparency International-Pakistan, Anti-Fraud Hotline	1	360,000
Rural Support Programmes Network, Emergency Relief and Early Recovery for Pakistan Flood Affectees	1	397,000
Agribusiness Support Fund, USAID's Agribusiness Project	1	10,300,000
Associates in Development, Monitoring and Evaluation for FATA Quick Impact Projects	1	1,485,537
Total	17	150,310,792

Source: USAID/Pakistan.

Prior to disbursing funds, USAID's Office of Financial Management performs preaward assessments of all prospective partner organizations. The assessments examine organizational and management structure, accounting, financial management systems, internal control, technical capabilities, and quality assurance capabilities, as well as organizations' policies, procedures, and practices for effective and efficient management of USAID/Pakistan resources. To date, USAID has completed 115 preaward assessments. The assessment of National Engineering Services Pakistan (Private) Limited was completed this quarter.

Staffing

The U.S. Mission in Pakistan—including USAID and Embassy components—increased staffing levels in Islamabad, maintained its staffing level at the regional office in Lahore, but experienced a decrease in staffing in Peshawar and Karachi.

As shown in Table 9, USAID reported a total of 222 staff (46 U.S. direct hires and 176 others) as of December 31, 2011. USAID mission management determined not to fill all vacancies during the quarter because of limited availability of office facilities. As the temporary USAID office building nears completion, the USAID mission plans to expand recruitment to achieve sufficient personnel levels to implement portfolio responsibilities without relying on temporary-duty employees or on support from Washington, D.C. According to the *Pakistan Assistance Strategy Report*, USAID, as the lead and largest manager of assistance funds among U.S. Government agencies, will need to increase its project management, legal, financial management, and procurement staff significantly. With an FY 2012 target of 296 staff, USAID/Pakistan remains understaffed by 74 positions.

Table 9. USAID Staffing in Pakistan as of December 31, 2011

Category	Islamabad	Peshawar	Lahore	Karachi	Total	Difference from September 31, 2011
U.S. direct hire	40	3	3	0	46	-2
U.S. personal services contractors	17	3	1	0	21	+1
Third-country nationals	8	1	0	0	9	+1
Foreign Service Nationals (Pakistani staff)	104	20	10	5	139	+2
Eligible family members	5	0	0	0	5	0
Long-term temporary-duty staff*	2	0	0	0	2	0
Total Staff	176	27	14	5	222	+2
Staff Target 2012						296
Staff Shortfall						74

Source: USAID/Pakistan.

* USAID/Pakistan reported that long-term temporary-duty staff (defined as being in Pakistan for a year) filling vacant positions counted toward the total number of USAID/Pakistan positions.

PAS personnel in Pakistan are distributed across offices in Islamabad, Karachi, Lahore, and Peshawar. In total, PAS had 26 U.S. direct hires and 54 Pakistani staff on board as of December 31, 2011. As of that date, NAS had 6 U.S. direct hires, 13 U.S. personal services contractors, and 69 Pakistani staff. For its part, RSO had 6 U.S. direct hires and 35 Pakistani staff by the end of the reporting period.

Risks and Mitigation Strategies

U.S. Government agencies and oversight entities have identified risks that could jeopardize the U.S. Government's assistance program in Pakistan and identified accompanying mitigation strategies. The following challenges facing the civilian assistance program remained pertinent during this quarter:

- *Political risks.* Pakistan continued to experience political, economic, and security-related turmoil. Such turmoil can limit the progress by the Government of Pakistan and the U.S. Government in delivering an effective assistance program. In particular, in response to the Government of Punjab's recent announcement that it will no longer accept direct U.S. Government assistance, USAID has cancelled all government-to-government programs in this province and is working to reprogram the funds originally slated for Punjab.
- *Operating restrictions.* Implementation and monitoring of USAID projects have been hindered by stricter Government of Pakistan requirements for travel outside of Islamabad and provincial capitals. Visits to some areas require from several days' to 3 weeks' prior notification and sometimes the approval of the Ministry of Foreign Affairs; these restrictions delay and often lead to the cancellation of site visits. Obtaining visas and visa renewals continues to hamper recruitment and lower staff morale. As of December 19, 2011, 37 assignment visas, some of which had been pending as long as 9 months, remained unissued. Further, USAID personnel have been harassed by local authorities.
- *Resistance to economic reform.* Entrenched interests may resist policy reforms needed to transform the economy. Critical to economic reform are the governance, accountability, and financial sufficiency of power sector institutions. Political interference continues to undermine the decision-making ability of power company managers and regulatory officials. According to USAID, if Pakistan does not implement fundamental reforms, assistance from the United States and other donors will have limited long-term effects.
- *Vulnerability to natural disasters.* Flooding and the resulting damage have delayed implementation of projects in flood-affected areas. Because Pakistan is prone to natural disasters such as flooding, this is a regular risk. To help Pakistan address this risk, USAID supports programs in water storage and management, including the surface water management program for Balochistan and Gomal Zam Dam, which contribute to flood mitigation efforts. USAID has ongoing efforts through OFDA to strengthen the disaster response and risk reduction capacity of Pakistan's NDMA.
- *Adverse environmental impact.* USAID/Pakistan conducts environmental assessments before disbursing funds for projects. These assessments—for example, of the road from Tank to Wana and Kaur to Makeen in South Waziristan—sometimes identify concerns and potential risks regarding

the projects' impact on the environment or communities. To address these environmental concerns, USAID will identify and take the necessary steps to ensure these risks can be mitigated before continuing with the activity.

- *Leadership turnover.* High turnover in entities of the Government of Pakistan has affected planning, coordination, and implementation of programs. Senior managers at power companies and senior government officials at the Ministry of Water and Power are usually political appointees who spend less than 2 years in their positions. The devolution of federal health, education, and agriculture programs to provinces with insufficient guidance on the expected roles and responsibilities of the federal, provincial, and district governments, is also complicating implementation. USAID will continue to work closely with all government counterparts as necessary.
- *Limited institutional capacity.* In FATA, Khyber Pakhtunkhwa, Sindh, and Balochistan, where there is limited institutional capacity and insufficient staff with experience in financial and procurement management, extra efforts must be made to mitigate the risk of resources being lost through inefficiency, theft, or general lack of capacity to handle large amounts of funding.
- *Inadequate financial management in Government of Pakistan institutions.* The U.S. Government and the Government of Pakistan have collaborated to introduce special accounts for budget support provided by the United States to address financial challenges and maintain a high degree of accountability. However, financial management, accountability, and reporting challenges continue.
- *Security risks.* Security concerns continue to reduce the ability of U.S. Government personnel to conduct direct monitoring and evaluation in conflict-affected areas, particularly Peshawar, FATA, Khyber Pakhtunkhwa, and Balochistan, and to engage Pakistani officials in project design. Following the incident on the Pakistan border in late November, USAID partners have been under severe scrutiny and, sometimes, threat for their association with the U.S. Government. As a result, program events have been rescheduled, changed, or cancelled.

As described above, security conditions present an ongoing challenge for civilians providing assistance in certain vulnerable areas, as well as for USAID's ability to monitor and evaluate programs. USAID is meeting the challenge by expanding its regional office in Lahore and using Pakistanis to conduct site visits. USAID/Pakistan awarded an independent monitoring and evaluation contract and now is in the process of planning monitoring and evaluation activities. Services provided under the contract include routine monitoring, training on data entry for project performance, mapping using a geographic information system, and conducting evaluations and assessments. The integrity of the data provided by USAID/Pakistan's implementing partners, which serve as the basis for annual performance reporting, will be verified under the contract. Additionally, USAID's Office of Afghanistan and Pakistan Affairs, in conjunction with USAID/Pakistan, is developing a database (PakInfo) that includes indicators that USAID uses to measure the progress of its programs, as well as the indicators that each implementing partner uses to track progress.

To mitigate the fiduciary risk of working with local institutions, USAID has hired accounting firms to conduct preaward assessments to ensure that potential recipients of USAID assistance meet U.S. transparency and accountability standards. These assessments identify partner weaknesses and areas of improvement that are agreed to and documented in a risk management framework. USAID then actively works with partners to build capacity and mitigate risks. In addition, USAID has begun to rely increasingly on fixed-amount reimbursable agreements as a mechanism for assistance programs implemented through Pakistani institutions. This mechanism requires milestones to be achieved and independently verified before payments are processed.

USAID has also recently established an Assessment and Strengthening Program that is designed to build the institutional capacity of local Pakistani organizations. The program provides a means to identify, address, and validate responses to institutional capacity weaknesses within public sector, civil society, and for-profit institutions. It enables USAID/Pakistan to work with a wide range of local implementing partners and host-government institutions in an effective, transparent, efficient, and responsive manner without having to resort to one-off consultancies or rely on support arrangements provided on a project-by-project basis.

The capacity-building process focuses on specific organizational needs identified through preaward assessments and on overall national development objectives and requirements. Related efforts include developing dedicated project management units within the government, improving policies and procedures, reviewing and strengthening organograms, ensuring adequate internal controls, improving financial management and procurement processes, increasing human resource capacity through on-the-job technical assistance, and providing relevant tools and products for carrying out government functions.

In addition to these USAID strategies, the OIGs for USAID and DOS have taken the following steps to ensure that U.S. Government funds are protected against waste and theft:

- *Maintaining an in-country oversight presence.* As of December 31, 2011, USAID OIG had 14 permanent staff in Islamabad (9 U.S. direct hires and 5 Foreign Service National employees), supplemented by those on temporary duty. To support its Pakistan portfolio, DOS OIG had three staff members in Islamabad.
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* As of December 31, 2011, USAID OIG had a roster of 27 eligible audit firms in Pakistan to call on. Since the passage of the Enhanced Partnership with Pakistan Act on October 15, 2009, USAID OIG has nearly doubled the size of this roster.
- *Providing training to Pakistani public accounting firms and to the Office of the Auditor General.* USAID OIG training for Pakistani public accounting firms and the Office of the Auditor General covers the standards and requirements for financial audits of U.S. Government funds. In FY 2011, USAID OIG provided this training to 15 employees of the Office of the Auditor General and 73 participants from

21 public accounting firms and 16 NGOs. USAID OIG plans to hold two 2-day programs in January 2012 for 80 employees of public accounting firms and the Office of the Auditor General.

- *Providing training to NGOs, government organizations, and USAID contracting and agreement officers' technical representatives and financial analysts.* USAID OIG training to these groups addresses the standards and requirements for financial audits of U.S. Government funds. To date, USAID OIG has provided training seminars to 55 staff members at USAID/Pakistan and 26 staff from ten provincial government ministries. USAID OIG plans to hold two 1-day programs in February 2012 for NGOs, government organizations, and USAID contracting and agreement officers' technical representatives and financial analysts.
- *Helping the Office of the Auditor General conduct financial audits.* USAID OIG helps the office conduct financial audits of funds provided by USAID/Pakistan to Pakistani Government entities by providing continued support during the audit process for any audit-related matters. USAID OIG also reviews the final reports to ensure that the audits were performed in accordance with OIG Guidelines for Financial Audits Contracted by Foreign Recipients, dated February 2009.
- *Working with Pakistan's National Accountability Bureau (NAB).⁹* USAID OIG established a working relationship with NAB in early 2010 and continues to coordinate efforts and collaborate on investigations.
- *Collaborating with USAID/Pakistan to establish and maintain the Anti-Fraud Hotline in Pakistan.* As the only one of its kind in Pakistan, the hotline provides a unique and useful tool for Pakistani citizens to provide feedback to USAID, its implementing partners, and the Government of Pakistan. This quarter, the hotline received 489 complaints through various channels—e-mail, Internet, facsimile, mail, and in person. These complaints relate to projects funded by USAID and by other organizations, including the Pakistani Government, bilateral donors, and international organizations.
- *Providing fraud awareness briefings and expanding investigative coverage.* USAID OIG investigators also conduct fraud awareness briefings to alert participants—employees, contractors, and grantees—to fraudulent practices and schemes and to provide guidance on how to report fraud. In FY 2011, USAID OIG gave 20 fraud awareness briefings in Pakistan to 424 attendees. During the reporting period, OIG special agents in Pakistan provided one additional fraud awareness briefing attended by 20 auditors from the Government of Pakistan.
- *Coordinating audits and investigations with other U.S. agencies.* USAID OIG works with other OIGs, GAO, and law enforcement agencies including the FBI's International Corruption Unit, the National Procurement Task Force, the Financial Crimes Enforcement Network, and the U.S. Embassy's Legal

⁹ NAB is the primary law enforcement agency in Pakistan responsible for investigating white-collar crime and public corruption, and it is Pakistan's only law enforcement agency authorized to conduct investigations in FATA.

Attaché Office to coordinate audit and investigative work with the aim of eliminating duplication and maximizing the efficient use of government resources.

Oversight Status

USAID Office of Inspector General

USAID OIG oversees foreign assistance programs administered by USAID, the Millennium Challenge Corporation, the United States African Development Foundation, and the Inter-American Foundation. USAID OIG has strengthened its focus on Pakistan since USAID reopened its Pakistan mission in 2002. In recent years, OIG has covered a wide array of USAID programs in Pakistan, for relief and stabilization, reconstruction, sustainable development, education, and health care. USAID OIG's oversight activities include performance audits, financial audits, and investigations.

Work Completed

From October 1 to December 31, 2011, USAID OIG completed two performance audits and two financial audits:

- **Audit of USAID/Pakistan's Firms Project (Report No. G-391-12-001-P, November 3, 2011).** This audit concluded that, as of May 2011, the Firms Project was not on track to achieve its main goal to expand economic opportunities through sales and employment. Despite the mission's attempt to increase sales and employment in a number of sectors—leather, livestock, textile, dates, and mangoes—the audit found no measureable increases in sales or employment. Project activities did not increase sales or employment in the leather, livestock, textile, or date sectors because of shifts in U.S. Government strategy that resulted in the cancellation of these activities. Efforts to boost sales and jobs in the mango sector were stalled, and activities to improve competitiveness through economic policy reform were behind schedule.

The report made nine recommendations to address related issues, including determining the allowability of more than \$1.3 million in questioned costs. USAID developed a plan to address eight of these recommendations, and has taken steps to close five of them.

- **Audit of USAID/Pakistan's Energy Efficiency and Capacity Program (Report No. G-391-12-002-P, November 23, 2011).** This audit concluded that the program was substantially short of its goal of replacing 11,000 pumps to reduce energy demand before its expiration date of March 2012. Two years after it began, the farmers had replaced 963 pumps (9 percent of the 11,000 planned). Replacing this number of pumps was inefficient: USAID's replacement cost increased from the original estimate of \$1,400 per pump to nearly \$8,500 because contractor administrative fees were distributed over 963 pumps replaced rather than the anticipated 11,000.

The report recommended that USAID develop a plan to ensure that program goals would be met should the mission decide to continue the program beyond its March 2012 expiration date. A management decision has been reached on this recommendation. A second recommendation to

modify the underlying contract to reflect substantial changes made to certain activities is now closed.

- **Financial Audit of Budgetary Support, USAID/Pakistan Program Assistance Agreement No. 391-AAG-012-IL-02, Managed by the Benazir Income Support Program (BISP), for the Period From September 30, 2009, to March 31, 2011 (Report No. G-391-12-001-R, October 26, 2011).** This audit covered budgetary support of \$85 million to the Government of Pakistan. The Auditor General concluded that the fund accountability statement presents fairly, in all material respects, program revenues and costs incurred under the agreement for the period audited. The Auditor General did not identify any questioned costs, material internal control weaknesses, or material instances of noncompliance in its audit report. However, in a separate letter issued to the management of BISP, the Auditor General made a number of related observations, including that at least \$38 million had not been disbursed to beneficiaries as of June 2011. Periodic reconciliations had not been made by the disbursing organizations to facilitate the disbursement of these funds to eligible beneficiaries, and the funds remained in accounts maintained by the Pakistan Post Office. The report made one recommendation.
- **Financial Audit of Budgetary Support to the Government of Pakistan, USAID/Pakistan Program Assistance Agreement No. 391-005-ES-07, Managed by the Ministry of Finance for the Year Ended June 30, 2008 (Report No. G-391-12-002-R, November 3, 2011).** This audit covered budgetary support of \$200 million provided to the Government of Pakistan. The Auditor General concluded that the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID in accordance with the terms of the agreement. The audit did not identify any questioned costs, material internal control weaknesses, or material instances of noncompliance, and the report did not make any recommendations.

Work Under Way

As of December 31, 2011, three USAID OIG performance audits and five financial audits were in progress:

- **Audit of USAID's Transition Initiative Program.** This audit will determine whether the program has identified basic community needs and implemented small-scale projects that support the Government of Pakistan's efforts to improve relations with citizens living in areas suffering from instability and extremism.
- **Audit of USAID/Pakistan's Pre-Service Teacher Education Program.** This audit will determine whether the program is improving basic education through improved teacher education.
- **Audit of USAID/Pakistan's Empower Pakistan Entrepreneurs Program.** This audit objective is to determine whether USAID/Pakistan's Empower Pakistan Entrepreneurs Program is increasing the incomes of at least 75,000 microentrepreneurs and small enterprise owners.

- **Financial Audit of USAID Resources Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under Cash Transfer Grant Agreement, Activity No. 391-AAG-012-IL-01 for Internally Displaced Persons for the Period From July 1, 2009, to June 30, 2010.**
- **Financial Audit of USAID Resources Under the Merit and Needs-Based Scholarship Project Managed by the Higher Education Commission for the Period From July 2, 2004, to June 30, 2010.**
- **Financial Audit of USAID Resources Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under Cash Transfer Grant Agreement, Activity No. 391-012-IL-03 Through the Higher Education Commission for Universities and Technical Education in North West Frontier Province (Khyber Pakhtunkhwa), for the Period From September 30, 2009, to June 30, 2010, and Program Implementation Letter No. 11: Financial Assistance for the USAID-Pakistan Fulbright Program Between USAID and the Higher Education Commission, for the Period From October 15, 2009, to June 30, 2010.**
- **Financial Audit of USAID Grant Funds for the Anti-Fraud Hotline and Anti-Corruption Project Phase II Managed by Transparency International for the Year Ended June 30, 2011.**
- **Financial Audit of Rupee Trust Fund Managed by USAID/Pakistan for the Period October 1, 2009, to June 30, 2011.**

Work Planned

In addition to those completed and under way, USAID OIG plans to conduct seven performance audits during FY 2012:

- **Audit of USAID/Pakistan's Design for Sustainability in the Jamshoro Thermal Power Station Repair and Maintenance Activity.** This audit will determine whether USAID/Pakistan has built sustainability into the Jamshoro Thermal Power Station Repair and Maintenance Activity.
- **Follow-Up Audit of USAID/Pakistan's Livelihood Development Program for the Lower Region of the Federally Administered Tribal Areas.** The audit will determine whether USAID/ Pakistan implemented the recommendations from the December 2010 audit and whether those actions were effective.
- **Audit of USAID/Pakistan's Assessment and Strengthening Program for Local Organizations and Government of Pakistan Entities.** This audit will determine whether USAID/Pakistan's Assessment and Strengthening Program is improving the capacity of local organizations and Government of Pakistan entities to responsibly manage USAID funds.

- **Audit of USAID/Pakistan's Benazir Income Support Program.** This audit will determine whether USAID/ Pakistan's cash transfer to BISP has reached the intended beneficiaries.
- **Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project.** This audit will determine whether USAID/Pakistan's Gomal Zam Multipurpose Dam Project is on track to meet its budget and timelines.
- **Audit of USAID/Pakistan's Monitoring and Evaluation Program.** This audit will determine whether USAID/Pakistan is using results from its monitoring and evaluation program to manage its portfolio.
- **Audit of USAID/Pakistan's Reconstruction Activities in Flood-Affected Areas.** This audit will determine whether USAID/Pakistan's reconstruction activities in the flood-affected areas are being implemented effectively.

As of December 31, 2011, 18 financial audits of USAID funds were in the planning stage.

Investigative Work and the Anti-Fraud Hotline

As of December 31, 2011, USAID OIG had 20 open investigations pertaining to Pakistan. During the reporting period, USAID OIG investigators closed one case.

The following significant USAID OIG case developments took place between October 1, 2011, and December 31, 2011:

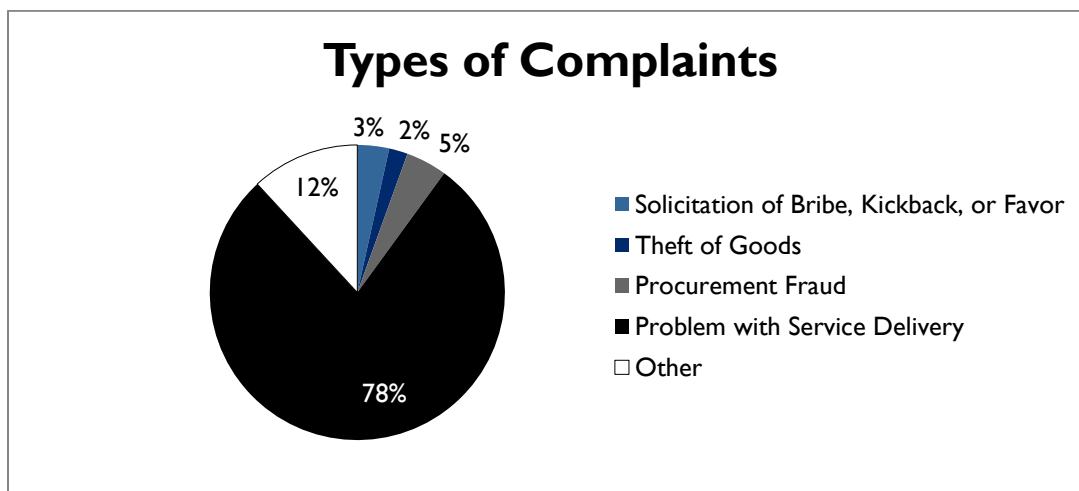
- **Nine Education Officials Suspended for Theft and Diversion of Commodities From Food for Education Program in Sindh Province.** WFP's Food for Education Program gives parents an incentive for their children, especially girls, to attend school by providing one can of fortified cooking oil to each student who meets monthly attendance requirements. The Anti-Fraud Hotline received 17 complaints regarding alleged theft or diversion of fortified edible oil intended for primary school students under the program in Sindh Province. After coordinating with USAID OIG, WFP dispatched a monitoring team to the location, reviewed documentation, conducted interviews with the students and community members and then took appropriate action to address the situation.

Of the 17 complaints, four related to schools receiving less oil than originally anticipated because of an increase in the number of students from the time the school registered to participate in the program and the time of distribution. School officials had either withheld the oil from all students or attempted to share the oil in order to ensure everyone received their share. Six of the complaints alleged school officials had stolen cooking oil meant for students, either at the school or from warehouses maintained by district education officials. WFP field monitoring visits revealed numerous instances of documentation falsified by schools participating in the program and district

warehouses, as well as instances in which students who should have received cooking oil did not. As a result of these findings, nine education officials—including teachers, headmasters, and warehouse personnel—were suspended. Through follow-up on an Anti-Fraud Hotline allegation, WFP field monitoring personnel also learned that one “school” participating in the program was, in fact, a private residence. WFP was able to recover the amount spent on cooking oil for this location from a participating organization. The seven remaining complaints related to alleged problems with service delivery and were determined to be unfounded.

- **USAID Contractor Employees Terminated in FATA.** During the fall of 2010 and spring of 2011, USAID OIG and the Pakistan Anti-Fraud Hotline received information regarding alleged construction fraud on a USAID project in FATA. USAID OIG subsequently determined that three employees of a USAID contractor had submitted false documentation on the construction of two flood-protection walls. As a result of these false submissions, USAID paid more than \$33,000 for a wall that was not built to specifications and more than \$36,000 for a separate wall of which only 7 percent was completed. In addition to falsifying documentation regarding the walls’ specifications, all three employees lied about the matter when questioned by OIG. The contractor’s team leader in charge of the project has since been terminated, as has the site engineer who certified that the incomplete wall was built to specifications. The head engineer, who certified completion to specification of the first wall, has been disciplined but is still employed on the project. USAID’s contracting officer determined that USAID would pay the full amount for the first wall but that the contractor should credit USAID \$36,719 for the cost of the incomplete wall.

OIG continues to work to reinforce fraud reporting and investigation in Pakistan through the Anti-Fraud Hotline. As the only hotline of its kind in Pakistan, the Anti-Fraud Hotline serves as a valuable means for the people of Pakistan to provide feedback to USAID, its implementing partners, and the Government of Pakistan. Since its introduction in February 2011, the Anti-Fraud Hotline has been widely advertised on television, radio, newspaper, and billboards. As a result, the Hotline has received a large volume of complaints related to service delivery problems. This quarter, the Anti-Fraud Hotline received 489 complaints, shown by type in the following figure.

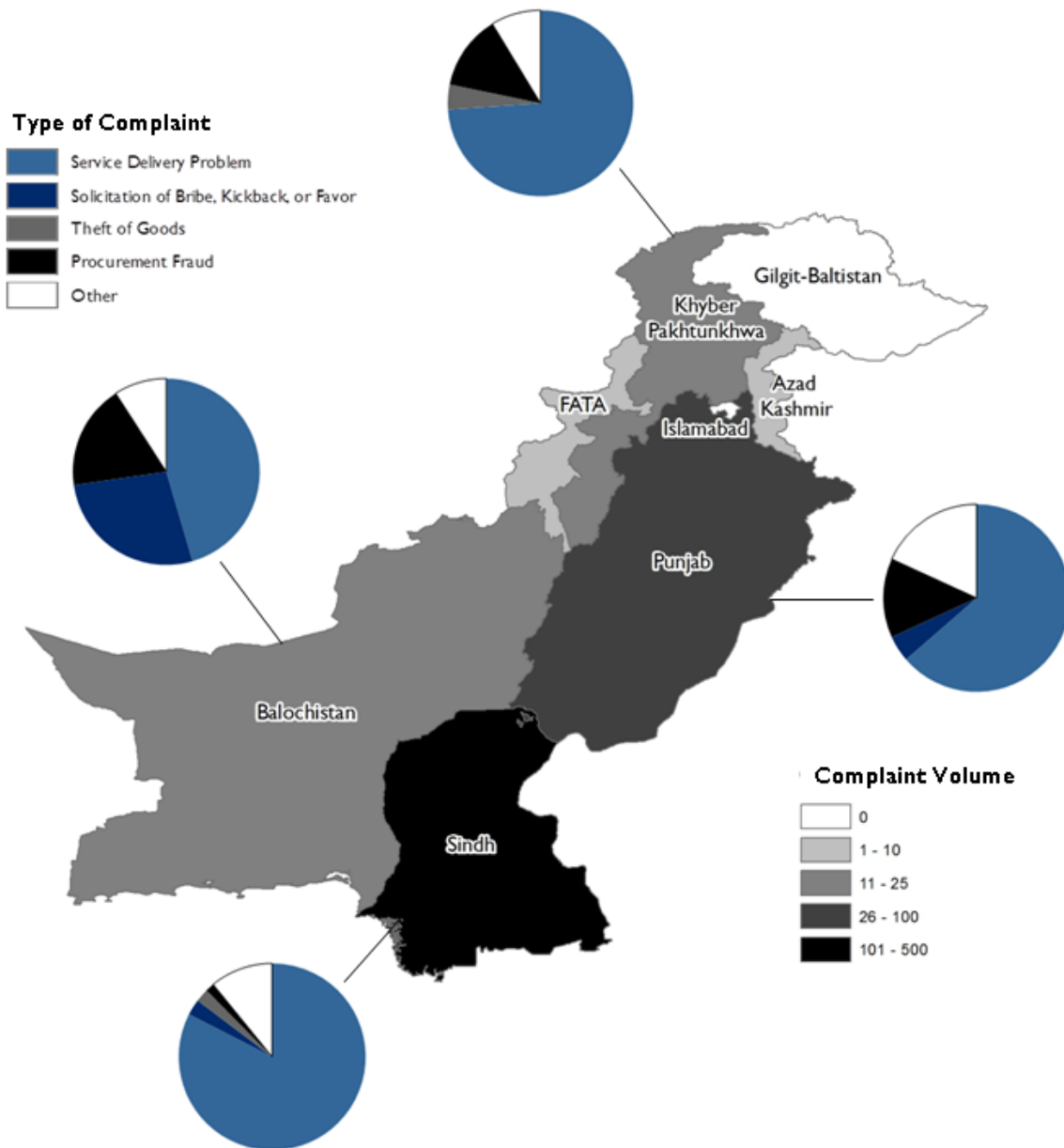


Source: Transparency International-Pakistan.

These complaints pertained to projects funded by USAID and implemented by NGOs, international organizations, and the Government of Pakistan. While the vast majority of the complaints related to flood relief efforts, a number of others provided important information for ongoing investigations or prompted new investigations. The breakdown of complaints received during the quarter by province is as follows: Sindh 395 (81 percent), Punjab 44 (9 percent), Khyber Pakhtunkhwa 23 (5 percent), and Balochistan 11 (2 percent). Other provinces and administrative areas in Pakistan individually accounted for less than one percent of complaints, and 12 other complaints (2 percent) could not be attributed to any specific geographical area within Pakistan.

The Anti-Fraud Hotline has become an important source of information on possible improvements to service delivery following the August-September 2011 floods, which displaced an estimated 1.8 million in Sindh and Balochistan Provinces. Sindh Province, which was most severely affected by the flooding, was associated with the most hotline complaints during the reporting period. As the following figure illustrates, complaints about service delivery problems accounted for a larger proportion of complaints in Sindh Province than in other areas of the country.

Volume and Distribution of Complaints by Province and Type for Selected Provinces, October 1 to December 31, 2011



Source: Transparency International-Pakistan, USAID OIG, and Office of Afghanistan and Pakistan Affairs.

To help capitalize on the hotline's potential for improving service delivery, OIG worked with the Anti-Fraud Hotline to streamline the process for referring service-delivery-related complaints to USAID implementing partners. These complaints may be addressed in conjunction with an OIG investigation or independently by the concerned organization. During the reporting period, the Anti-Fraud Hotline referred 158 service delivery complaints to USAID implementing partners.

The Anti-Fraud Hotline works closely with OIG to monitor and address complaints regarding violations of the Pakistan Public Procurement Rules (PPR) of 2004 in the tendering of USAID-funded projects being carried out by the Government of Pakistan. Allegations of PPR violations received through the hotline are handled in accordance with the procedures set forth by the PPR, which require the tendering government agency to review and respond to the complaint within a set period. When it is determined that a violation of the PPR has occurred, the tendering agency is required to cancel or correct the procurement. If the issue is not properly resolved by the tendering agency, the Pakistan Public Procurement Regulatory Agency and the Supreme Court of Pakistan can intervene.

During the last reporting period, the Anti-Fraud Hotline filed three complaints regarding the procurement of fuel additives for the Muzaffargarh Thermal Power Station, the Jamshoro Thermal Power Station, and the Tarbela Power Station. The complaints regarding these USAID-funded projects resulted in the procurements being canceled in accordance with the PPR. In December 2011, USAID/Pakistan issued a clarification memorandum to the power companies involved in these projects requiring them to use language in the tenders for fuel additives that would prevent any vendor from receiving an unfair advantage in the procurement.

Department of State Office of Inspector General

Work Under Way

As of December 31, 2011, DOS OIG had one audit, two evaluations, and one review under way:

- **Audit of the U.S. Mission in Pakistan's Local Guard Force Contract.** The audit will evaluate the Department of State's contract with a security contractor, G4S, to determine whether the contract has been administered effectively and whether G4S has achieved established performance measures. The contract with G4S includes provision of the local guard force for Embassy Islamabad, as well as for the three U.S. consulates in Pakistan.
- **Evaluation of the Antiterrorism Assistance Program in Pakistan.** This evaluation will determine the degree to which the Antiterrorism Assistance Program in Pakistan, which provides training and equipment to police, has achieved its intended outcomes, and assess whether the program provides effective oversight of contracts and U.S. Government-furnished equipment.
- **Performance Evaluation of Management Controls Over Civilian Assistance to Pakistan.** The evaluation will review the Department of State's civilian assistance to Pakistan (excluding U.S. Agency for International Development programs) to determine whether management controls are in place, documented, and operating as intended and to ensure that DOS-administered funds are protected from waste, fraud, and diversion.

- **Compliance Follow-Up Review of the 2010 Inspection of Embassy Islamabad and Constituent Posts (ISP-I-10-64).** This review is to determine the degree to which the Embassy and consulates have implemented recommendations from the 2010 inspection.

Work Planned

In addition to those under way, DOS OIG plans to conduct one evaluation and two audits of Pakistan-related programs and activities during FY 2012:

- **Evaluation of Emergency Action Plan for Embassy Islamabad.** The evaluation will focus on Embassy Islamabad's formulation of a comprehensive Emergency Action Plan, the completeness of associated documentation, and general knowledge and preparedness of all mission personnel.
- **Audit of the Administration and Oversight of Economic Support Funds for Pakistan.** This audit will determine whether DOS is effectively administering and overseeing the Pakistan Economic Support Funds.
- **Audit of the Administration and Oversight of the Pakistan National Police Training and Mentoring Program.** This audit will determine whether the Bureau of International Narcotics and Law Enforcement Affairs' administration and oversight of the Pakistan National Police Training and Mentoring Program have been effective and achieved stated performance goals.

Department of Defense Office of Inspector General

The Department of Defense OIG did not complete any projects related to the civilian assistance program in Pakistan during the quarter and has no ongoing work in the area.

Government Accountability Office

GAO is an independent, nonpartisan agency that oversees federal government spending. GAO's mission is to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. GAO performs oversight at the request of Congress. Additionally, GAO may be required to research issues mandated by public laws or may undertake work prompted by broad-based congressional interest under the authority of the Comptroller General. GAO supports congressional oversight through many avenues, such as auditing agency operations, investigating allegations of illegal activities, reporting on the efficiency and effectiveness of government programs and policies, analyzing policy, outlining options for congressional consideration, and issuing legal decisions and opinions. GAO consults with key members of the accountability community, including the inspectors general.

Work Completed

GAO completed one engagement during the reporting period, October 1 to December 31, 2011:

- **Pakistan: Assessment of State's Justification to Support Its Certification of Pakistan's Cooperation (November 29, 2011).** This report provides an independent assessment of the Department of State's 2011 certification of Pakistan's progress on nonproliferation and counterterrorism issues. This report is classified and is not publicly available.

Work Under Way

As of December 31, 2011, GAO had one ongoing engagement concerning Pakistan:

- **Pakistan Ammonium Nitrate Smuggling.** Ammonium nitrate fertilizer is used to manufacture improvised explosive devices (IEDs) in Afghanistan that are a threat to U.S., coalition, and Afghan forces. Pakistan is a significant source of the ammonium nitrate used in Afghanistan. GAO plans to examine the extent to which (1) U.S. efforts are encouraging and assisting the Government of Pakistan in implementing its plan to address ammonium nitrate and other precursor materials used to make IEDs and (2) U.S. agencies are coordinating efforts to address the smuggling of ammonium nitrate and other precursor materials from Pakistan that are used to make IEDs. GAO expects to complete this engagement in summer 2012.

Completed Oversight Reports as of December 31, 2011

Table 11 lists oversight reports completed since the passage of the Enhanced Partnership with Pakistan Act, October 15, 2009.

Table 11. Oversight Reports Completed as of December 31, 2011

Agency	Report Number	Report Date	Report Title
<i>FY 2012 Reports</i>			
GAO	N/A	11/29/11	Pakistan: Assessment of State's Justification to Support Its Certification of Pakistan's Cooperation (Classified)
USAID	G-391-12-002-P	11/23/11	Audit of USAID/Pakistan's Energy Efficiency and Capacity Program
USAID	G-391-12-001-P	11/3/11	Audit of USAID/Pakistan's Firms Project
USAID	G-391-12-002-R	11/3/11	Financial Audit of Budgetary Support to the Government of Pakistan, USAID/Pakistan Program Assistance Agreement No. 391-005-ES-07, Managed by the Ministry of Finance, for the Year Ended June 30, 2008
USAID	G-391-12-001-R	10/26/11	Financial Audit of Budgetary Support, USAID/Pakistan Program Assistance Agreement No. 391-AAG-012-IL - 02, Managed by the Benazir Income Support Program (BISP), for the Period From September 30, 2009, to March 31, 2011
<i>FY 2011 Reports</i>			
GAO	GAO-11-860SU	9/20/11	Combating Terrorism: Pakistan Counterinsurgency Funds Disbursed, but Human Rights Vetting Process Can Be Enhanced
USAID	G-391-11-006-P	8/29/11	Audit of USAID/Pakistan's Community Rehabilitation Infrastructure Support Program
GAO	GAO-11-786R	7/19/11	Pakistan Assistance: Relatively Little of the \$3 Billion in Requested Assistance Is Subject to State's Certification of Pakistan's Progress on Nonproliferation and Counterterrorism Issues
USAID	G-391-11-004-R	6/23/11	Closeout Financial Audit of the Forman Christian College for the Development of a Four-Year Bachelor Degree Program and Strengthening Programs in Basic Science and Information Technology, for the Period July 1, 2009, to March 31, 2010

Agency	Report Number	Report Date	Report Title
USAID	G-391-11-005-P	6/20/11	Audit of USAID/Pakistan's Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan
USAID	G-391-11-001-N	5/26/11	Financial Audit of USAID/Pakistan's Rupee Trust Fund, for the Period October 1, 2006, to September 30, 2009
USAID	G-391-11-003-R	5/10/11	Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Grant Agreement No. 391-G-00-06-01073-00, Managed by Competitiveness Support Fund for the Period July 1, 2009, to June 30, 2010
USAID	G-391-11-004-P	5/6/11	Audit of USAID/Pakistan's Management of Preaward Assessments
USAID	G-391-11-002-R	4/8/11	Closeout Financial Audit of the Program "Interactive Teaching and Learning Project," USAID/Pakistan Cooperative Agreement No. 391-A-00-06-01075-00, and Financial Audit of Program "Links to Learning Education Support to Pakistan," Subaward under USAID/Pakistan Cooperative Agreement No. 391-A-00-08-01100-00, Managed by Children's Global Network Pakistan Limited, for the Period July 1, 2008, to February 26, 2010
GAO	GAO-11-310R	2/17/11	Department of State's Report to Congress and U.S. Oversight of Civilian Assistance to Pakistan Can Be Further Enhanced
GAO	GAO-11-156R	2/15/11	Accountability for U.S. Equipment Provided to Pakistan Security Forces in the Western Frontier Needs to be Improved
USAID	G-391-11-003-P	1/24/11	Audit of USAID/Pakistan's Flood Relief Efforts as Administered by Local Nongovernmental Organizations
DOS	MERO-I-11-01	1/11	The Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan
USAID	G-391-11-001-R	12/30/10	Financial Audit of Khushhali Bank Limited Under the Developing Non-Bankable Territories for Financial Services Program (Close-Out Audit), for the Period January 1, 2009, to September 30, 2009
USAID	G-391-11-002-P	12/10/10	Audit of USAID/Pakistan's Livelihood Development Program for the Upper Region of the Federally Administered Tribal Areas

Agency	Report Number	Report Date	Report Title
USAID	G-391-11-001-P	12/10/10	Audit of USAID/Pakistan's Livelihood Development Program for the Lower Region of the Federally Administered Tribal Areas
USAID	G-391-11-001-D	11/8/10	Financial Audit of the Costs Incurred by Research Triangle Institute Under the Education Sector Reform Assistance Program's School Enhancement Program Component, for the Period December 4, 2002, to September 30, 2007
<i>FY 2010 Reports</i>			
USAID	5-391-10-012-P	8/31/10	Audit of USAID/Pakistan's Family Advancement for Life and Health Program
USAID	G-391-10-001-R	8/4/10	Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Grant Agreement No. 391-G-00-06-01073-00, Managed by the Competitiveness Support Fund, for the Period February 3, 2006, to June 30, 2009
USAID	5-391-10-010-P	6/28/10	Audit of USAID/Pakistan's Primary Healthcare Revitalization, Integration and Decentralization in Earthquake-Affected Areas Project
USAID	5-391-10-001-S	6/28/10	Review of USAID's Internally Displaced Persons Programs in Pakistan
DOS	ISP-I-10-64	6/10	Inspection of Embassy Islamabad, Pakistan
USAID	5-391-10-033-R	5/18/10	Financial Audit of USAID Funds Managed by Forman Christian College, Lahore, for the Period July 1, 2007, to June 30, 2009
USAID	5-391-10-029-R	4/30/10	Financial Audit of USAID Funds Managed by Khushhali Bank for the Year Ended December 31, 2008
GAO	GAO-10-289	4/15/10	Combating Terrorism: Planning and Documentation of U.S. Development Assistance in Pakistan's Federally Administered Tribal Areas Need to Be Improved
USAID	5-391-10-026-R	3/24/10	Closeout Financial Audit of USAID Funds Managed by Greenstar Social Marketing Pakistan (Guarantee) Limited, for the Period July 1 to December 31, 2007
DOS	MERO-A-10-03	3/10	The Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Afghanistan and Pakistan, Performance Audit

Agency	Report Number	Report Date	Report Title
USAID	5-391-10-020-R	2/11/10	Closeout Financial Audit of USAID Funds Managed by Aga Khan University—Examination Board, for the Year Ended December 31, 2007
USAID	5-391-10-005-P	1/28/10	Audit of USAID/Pakistan's Capacity Building for the Federally Administered Tribal Areas Development Program
USAID	5-391-10-012-R	12/22/09	Financial Audit of USAID Funds Managed by Children's Global Network Pakistan Limited, for the Year Ended June 30, 2008
DOS	MERO-A-10-02	12/09	Status of the Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Programs in Afghanistan, Performance Audit
DOS	MERO-A-10-01	11/09	Effectiveness of Counter Narcotics Programs in Pakistan, Performance Audit

Appendix—Abbreviations

BISP	Benazir Income Support Program
DEA	Drug Enforcement Administration
DOC	Department of Commerce
DOS	Department of State
FATA	Federally Administered Tribal Areas
FBI	Federal Bureau of Investigation
FFP	Food for Peace
FY	fiscal year
GAO	Government Accountability Office
HEC	Higher Education Commission
IED	improvised explosive device
NA	not available
NAB	National Accountability Bureau
NAS	Narcotics Affairs Section (U.S. Embassy Islamabad)
NATO	North Atlantic Treaty Organization
NDMA	National Disaster Management Authority
NGO	nongovernmental organization
OFDA	Office of Foreign Disaster Assistance
OIG	Office of Inspector General
PAS	Public Affairs Section (U.S. Embassy Islamabad)
POL	Political Affairs Section (U.S. Embassy Islamabad)
PPR	Public Procurement Rules
REF	Refugee Affairs Section (U.S. Embassy Islamabad)

RSO	Regional Security Office (U.S. Embassy Islamabad)
U.N.	United Nations
UNICEF	United Nations Children's Fund
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USIP	U.S. Institute of Peace
USTDA	U.S. Trade and Development Agency
WAPDA	Water and Power Development Authority
WFP	World Food Programme